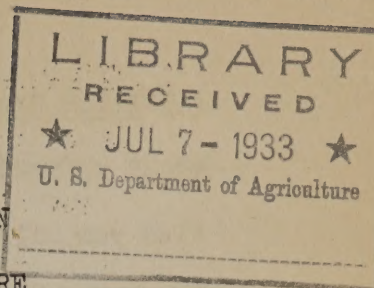


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California

TENTATIVE MARKETING AGREEMENT
PROPOSED AND DRAFTED BY
THE PRODUCERS' ARBITRATION COMMITTEE, INC.
AND THE
SOUTHERN CALIFORNIA MILK DEALERS ASSOCIATION
TO BE SUBMITTED WITH APPLICATION FOR
PUBLIC HEARING BY THE SECRETARY OF AGRICULTURE
AT WASHINGTON, D. C.



AGREEMENT

As used in this agreement, the following words and phrases shall be defined as follows:

(a) "Contracting producers" means and includes the Producers' Arbitration Committee, Inc., and such other producers and associations of producers of "fluid milk" sold or consumed in the "Los Angeles Metropolitan Area" as may become parties signatory to or bound by this agreement according to the terms thereof.

(b) "Contracting distributors" means and includes the members of the Southern California Milk Dealers Association and such other distributors and/or processors of "fluid milk" in the "Los Angeles Metropolitan Area" as may become parties signatory to or bound by this agreement according to the terms thereof.

(c) "Fluid Milk" is milk which is supplied to the consumer in the natural fluid state, or prepared for human consumption without being converted into any other form or product, as distinguished from manufacturing milk, and such fluid derivatives thereof, and including cottage cheese, sold by "contracting distributors" in the "Los Angeles Metropolitan Area."

(d) "Fluid Cream" means and includes cream supplied by the "Cream Organization" defined in Exhibit "G", and also cream separated by producers of bottled raw milk in accordance with the Provisions of Exhibit "G".

(e) "The Los Angeles Metropolitan Area" or "area" means and includes the city of Los Angeles, California, and such additional territory in the counties of Los Angeles, Orange, Riverside and San Bernardino, as is described in the map attached hereto.

(f) "Los Angeles Milk Shed" or "Shed" means and includes the counties of Los Angeles, Riverside, San Bernardino, Orange, State of California, and those dairies outside the milk "Shed" in other counties from which "fluid milk" is now being received into the "Los Angeles Metropolitan Area", as more particularly described in the map attached hereto and made a part hereof. Additional cream supplies are received from the points outside the "Shed" as fully listed in Exhibit "G".

(g) "Los Angeles Cream Shed" means and includes the territory shown as Los Angeles Cream Shed on the map attached hereto as page 11.

(h) "The Los Angeles Milk Industry Board" is that Board more particularly defined in Exhibit "F" hereto.

(i) "Secretary" means the Secretary of Agriculture of the United States.

(j) "Act" means the Act of Congress entitled "An Act to Relieve the Existing National Economic Emergency by Increasing Agricultural Purchasing Power, to Raise Revenue for Extraordinary expenses Incurred by Reason of Such Emergency, to provide Emergency Relief with Respect to Agricultural

Indebtedness, to provide for the Orderly Liquidation of Joint Stock Land Banks, and for Other Purposes," approved May 12, 1933.

PARTIES to this agreement are the "contracting producers," parties of the first part, the "contracting distributors," parties of the second part, and the "Secretary," party of the third part.

WHEREAS, pursuant to the "Act," the parties hereto, for the purpose of correcting the conditions now obtaining in the marketing of "fluid milk" in the "Los Angeles Metropolitan Area," desire to enter into a marketing agreement under the provisions of the "Act," and

WHEREAS, the members of Producers' Arbitration Committee, Inc., produce more than eighty percent of the "fluid milk" sold to distributors, distributed and consumed in the "Los Angeles Metropolitan area" and the Producers' Arbitration Committee, Inc., represents that it has corporate power and authority to enter into this agreement, and

WHEREAS, members of the Southern California Milk Dealers Association and/or other signatories to this agreement distribute more than eighty percent of the "fluid milk" and "fluid cream" distributed in the "Los Angeles Metropolitan area," which said "fluid milk" and "fluid cream" is substantially all of the "fluid milk" and "fluid cream" marketed by the members of the Southern California Milk Dealers Association and/or distributors signatory to this Agreement as aforesaid, and

WHEREAS the production, distribution and marketing of "fluid milk" and "fluid cream" produced in the "Los Angeles Milk Shed" "Los Angeles Cream Shed" for distribution in the "Los Angeles Metropolitan

area" is inextricably intermingled with the production processing and marketing of milk and cream for manufacturing into butter and other milk manufactured products by the Producers' Arbitration Committee, Inc., "contracting distributors" and others and

WHEREAS the price received by "contracting producers" from the "contracting distributors" and the price properly receivable by the "contracting distributors" from the consuming public is dependent upon the price of butter and other products made from the surplus milk produced by the "contracting producers" and others within and without the state of California, and

WHEREAS fluid milk, fluid cream, butter and other manufactured products produced, processed, manufactured and distributed in the "Los Angeles Metropolitan area" and the "Los Angeles Milk Shed" and the "Los Angeles Cream Shed" enter into and affect both the current of interstate commerce and the current of intrastate commerce which are inextricably intermingled.

NOW, THEREFORE, in consideration of the premises the parties hereby agree as follows:

(1) The prices at which "fluid milk" shall be sold by the "contracting producers" and purchased by the "contracting distributors" for distribution, consumption and manufacture in the "Los Angeles Metropolitan Area" shall be those set forth in Exhibit "A", which is attached hereto and made a part hereof. The prices set forth in Exhibit "A" will be automatically changed in accordance with price control plan set forth in Exhibit "C", provided, however, that if in the opinion of the "Sec-

retary" such changed prices are for any reason inequitable, he may, after hearing, amend the same.

Payments made to the producers associations listed in paragraph 4 for dues and the producers' share of the funds to be paid to the Los Angeles Milk Industry Board shall both, respectively, be deemed part of the price paid to producers.

(2) The wholesale, resale and retail prices at which fluid milk shall be distributed by the "contracting distributors" in the various parts of the "Los Angeles Metropolitan Area" shall be those defined and set forth in Exhibits B, B-1, and B-2. The prices set forth in Exhibits B, B-1, and B-2 will automatically be changed in accordance with the Price Control Plan set forth in Exhibit "C", provided, however, that if in the opinion of the "Secretary" such changed prices are for any reason inequitable, he may, after hearing, amend the same.

(3) The Surplus control plan attached hereto and made a part hereof and marked Exhibit "D", shall be binding upon the "contracting producers" as to all matters therein required on their part to be performed and upon the "contracting distributors" as to all matters therein required on their part to be performed. Such production control plan may be modified by agreement between the "contracting producers" and the "contracting distributors", provided, however, that any changes in the Production Control Plan shall become effective only upon the written approval of the "Secretary".

(4) a) "Contracting producers" and any "contracting distributors" having production of their own, agree that they will file, prior to the fifth day of each month, with the Producers' Arbitration Committee, Inc., a statement of the quantities of milk sold, or in the case of a

"contracting distributor," produced and sold, as fluid milk, during the preceding month. "Contracting Distributors" agree to file at the same time and place a statement of the quantities of milk purchased from producers and the amounts purchased from each producer.

b) "Contracting producers" authorize and direct the "contracting distributors" deduct not to exceed 1/4¢ for each pound of butter fat contained in fluid milk sold the "contracting distributors" and to pay the same to the Los Angeles Milk Industry Board. "Contracting distributors" having production of their own, agree to deduct a like amount for each pound of butter fat contained in milk produced and sold by them and to pay the same to Los Angeles Milk Industry Board. All "Contracting distributors" agree to pay an amount equal to that deducted by them as aforesaid. The Board shall use said funds for the furtherance of the Industry Research Plan set forth in Exhibit "F", and generally to advance the interest of the Industry.

c) The members of the California Milk Producers Association, Independent Milk Producers' Association, the Los Angeles County Natural Milk Producers' Association, the Los Angeles Mutual Dairymen's Association and the Southern California Bottled Raw Milk Association authorize the "contracting distributors" to deduct the amount specified for dues in the respective by-laws of each such Association provided however, that such deductions shall not exceed 1¢ per pound of butter fat contained in fluid milk sold, and to pay the amount so deducted as dues to that association of which each "contracting producer" is a member.

d) From the independent producers who are not members of the above producers' associations the "contracting distributors" shall deduct for each pound of butter fat contained in fluid milk purchased

from said independent producers an amount equal to the average amount deducted by the associations under paragraph 4-c hereof, provided, however, that such deduction shall in no event exceed 1¢ per pound butter fat and shall pay the sum to the Los Angeles Milk Industry Board. This sum shall be kept as a separate fund by the said Los Angeles Milk Industry Board and dispensed by it as approved by the "Secretary", so as to secure to said producers, benefits similar to those now received by members of the producers' associations by virtue of their payments to the said producers' associations.

e) Each member of any of the producers' associations listed authorizes the association of which he is a member to deduct monthly from the amount received by such association from the "contracting distributor" or "contracting distributors" to whom such association has delivered his milk during the preceding calendar month, a sum equal to the difference between the basic price received for said milk and the established surplus price for that percent of his milk which was classified as surplus for that preceding calendar month. Said producers association shall thereupon pay the sum so deducted to the Producers' Arbitration Committee, Inc., for the purpose of equalizing the loss to the entire industry of handling surplus milk.

f) From each of the independent producers not members of the above mentioned producers' associations the "contracting distributors" shall deduct monthly a sum equal to the difference between the basic price and the established surplus price for that percent of his milk which was classified as surplus for the preceding calendar month, and shall pay the sums so deducted to the "Producers Arbitration Committee, Inc." for the purpose of equalizing the loss to the entire industry of

handling surplus milk.

g) The "contracting distributors" agree that they will not purchase fluid milk from any producers who do not make the required reports to the Producers' Arbitration Committee, Inc., or who in any way violate the provisions of the Surplus Control Plan set forth in Exhibit "F".

(5) The "contracting producers" and the "contracting distributors" hereby agree that they will abide by the Quality Milk Program plan which is attached hereto, made a part hereof, and marked "Exhibit "E".

(6) "Contracting Producers" and "Contracting Distributors" agree to abide by the terms of the "Cream Equalization Plan" referred to as Exhibit "G".

(7) The "contracting producers" and the "contracting distributors" hereby agree that they will abide by the Code of Ethics and Rules and Regulations, described as Exhibit "H" and made a part hereof.

(8) The "contracting producers" and "contracting distributors" hereby agree that they will abide by and support financially the Research and Statistical program and Industry Organization Plan, described as Exhibit "F" and made a part hereof.

(9) The "contracting producers" and the "contracting distributors" shall, as and to the extent required by the "Secretary," severally maintain systems of accounting which shall be satisfactory to the Secretary, and their respective books and records shall be subject to his examination during the usual hours of business and they shall severally, from time to time, furnish to the "Secretary," on and in accordance with the forms to be supplied by the Department of Agriculture, such information as the "Secretary" may request.

(10) The standards governing the production, receiving, transportation, bottling and distribution of "fluid milk" and "fluid cream" sold or distributed in the "Los Angeles Metropolitan area" shall be those established by any Federal, State, County or Municipal health ordinances applying to this area, and the Quality Milk Program, Exhibit "E".

(11) This Agreement shall become effective at such time as the "Secretary" may determine and shall continue in force until the last day of the month following the aforesaid effective date and thereafter from month to month, except that:

a) The "Secretary" may (and shall upon request of either seventy-five percent of the "contracting producers" or seventy-five percent of the "contracting distributors", such percentages to be measured by volume of "fluid milk" marketed or distributed, respectively) by notice in writing deposited in the registered mail, and addressed to the Producers' Arbitration Committee, Inc., and the Southern California Milk Dealers Association, Inc., members thereof and signatory "contracting producers" and "contracting distributors", at the respective addresses now on file with the "Secretary," on or before the 20th day of any month, terminate said contract as of the end of such month.

b) The "Secretary" may, for good cause shown as of the end of any month, terminate this agreement as to any party or parties signatory thereto by notice in writing deposited on or before the 20th day of such month in the registered mail and addressed to such party or parties at the address or addresses of such party or parties on file with the "Secretary."

c) This agreement shall, in any event, terminate whenever Title I of the "Act" shall cease to be in effect or whenever the President or Congress shall terminate those provisions of the "Act" which authorize this Agreement.

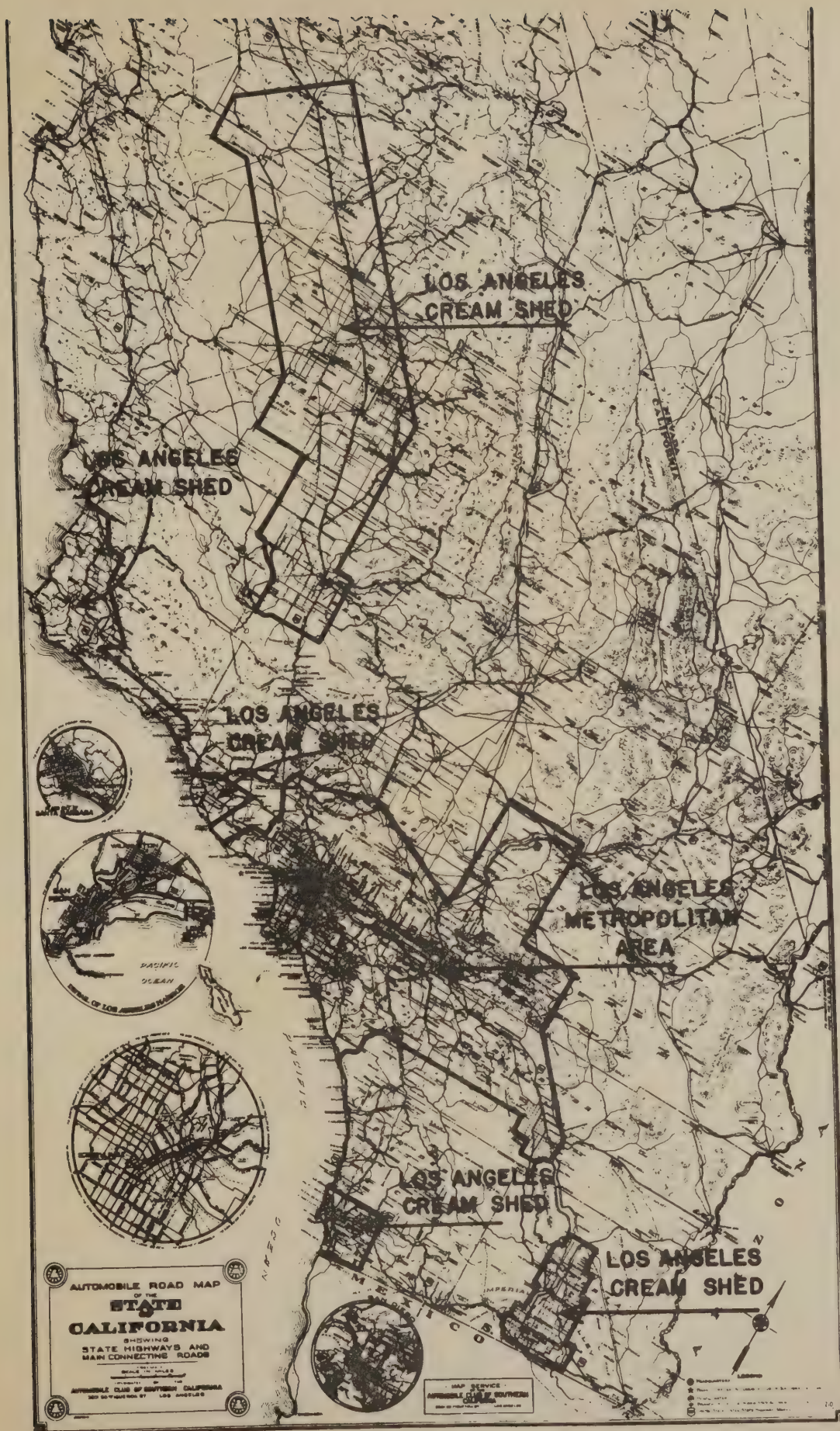
(12) The benefits, privileges and immunities conferred by virtue of this Agreement shall cease to exist upon the termination of this Agreement and the benefits, privileges and immunities conferred by virtue of this Agreement upon any party or parties signatory hereto shall cease to exist upon the termination of this Agreement as to such party or parties.

(13) Producers and Distributors of "fluid milk" and "fluid cream" who are not individually or through membership in an association, signers hereof or bound hereby, shall become bound by the terms of this Agreement in such manner and at such time as the "Secretary" in his sole discretion and in accordance with the law, may declare.

(14) The photostat sheet hereto attached indicates the territories herein referred to as "Los Angeles Metropolitan Area" and the "Los Angeles Cream Shed."

(15) This Agreement may be amended as to any of its terms upon agreement of 75% of "contracting producers" and 75% of "contracting distributors" and with the approval of the "Secretary."

IN WITNESS WHEREOF, the said parties hereto have caused this Agreement to be duly executed in triplicate originals on this _____ day of _____, 1933.



SCHEDULE OF EXHIBITS

| | |
|--|--|
| Exhibit "A" | Price to Producers |
| Exhibit "B-1", "B-2", "B-3", "B-4" | Wholesale, Resale and Retail Prices |
| Exhibit "C" (Schedules 1 - 15) | Price Control Plan |
| Exhibit "D" | Organization Plan |
| Exhibit "E" | Quality Milk Program |
| Exhibit "F" | Surplus Control Plan |
| Exhibit "G" | Cream Equalization Plan |
| Exhibit "H" | Code of Ethics, etc. |

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EXHIBIT "A"

PRICE TO PRODUCERS

The prices at which fluid Grade "A" market milk shall be sold by producers and purchased by distributors are as follows:

| | | |
|--|-----|---------------|
| Assuming L. A. Market Quotation for 92 Butter to be..... | 23¢ | per lb. B. F. |
| Add differential..... | 28¢ | " " " " |
| Total Base Price F.O.B. distributors city | | |
| processing plants..... | 51¢ | " " " " |

When the butter price changes the base price to producers shall be changed as indicated in the Price Control Plan marked Exhibit C, Schedule 1, and made a part hereof.

EXHIBIT "B-1"

L. A. METROPOLITAN AREA

The prices set forth herein shall not apply in the San Bernardino and Orange Districts. See Exhibit "C", Schedules 5 to 10 inclusive.

The following wholesale, resale and retail prices shall be in effect when conditions set forth in Exhibit C, Schedule 1, Section 2, prevail:

TERMS NET - NO QUANTITY DISCOUNT.

| | | Wholesale | Minimum | Minimum | |
|----------------------|---------------------|-----------|---------|-----------|-----|
| | | Prices | Store | Home | |
| | | | Selling | Delivered | |
| | | | Prices | Price | |
| | | \$ | | | |
| MILK, GRADE "A" | 10 Gallon Cans..... | 2.85 | | | |
| | 3 Gallon Cans..... | .90 | | | |
| | 2 Gallon Cans..... | .65 | | | |
| | 1 Gallon Cans..... | .34 | | | |
| | Quarts..... | .08 1/2 | .10 | ... | .11 |
| | Pints | .06 | .07 | ... | .08 |
| | Third Quarts..... | .04 1/2 | | | |
| | Half Pints..... | .03 1/2 | | | |
| RAW MILK, GRADE "A" | Quarts..... | .08 1/2 | .10 | ... | .11 |
| | Pints | .06 | .07 | ... | .08 |
| | Third Quarts | .04 1/2 | | | |
| | Half Pints..... | .03 1/2 | | | |
| RAW MILK, GUARANTEED | Quarts | .12 | .13 | ... | .14 |
| | Pints..... | .07 | .08 | ... | .09 |
| | Third Quarts..... | .06 | | | |
| | Half Pints..... | .05 | | | |
| RAW MILK, CERTIFIED | Quarts | .14 | .16 | ... | .16 |
| | Pints | .11 | .12 | ... | .12 |
| | Third Quarts | .06 1/2 | | | |
| | Half Pints..... | .05 1/2 | | | |
| CHOCOLATE MILK | Quarts | .08 1/2 | .10 | ... | .11 |

Exhibit "B-1" (Continued)

| | | Wholesale Prices | | Minimum Store Selling Prices | | Minimum Home Delivered Prices |
|--------------------|--|---------------------|-----|---------------------------------------|-----|--|
| | | \$ | | | | |
| COFFEE CREAM 22% | 3 Gallon Cans..... | 3.20 | | | | |
| | 2 Gallon Cans..... | 2.20 | | | | |
| | Quarts..... | .30 | ... | .38 | ... | .40 |
| | Pints..... | .17 | ... | .22 | ... | .24 |
| | Half Pints..... | .10 | ... | .12 | ... | .13 |
| TABLE CREAM 27% | 3 Gallon Cans..... | 3.65 | | | | |
| | 2 Gallon Cans | 2.50 | | | | |
| | Quarts | .33 | ... | .43 | ... | .45 |
| | Pints | .19 | ... | .24 | ... | .27 |
| | Half Pints..... | .12 | ... | .14 | ... | .15 |
| WHIPPING CREAM 38% | 3 Gallon Cans..... | 5.50 | | | | |
| | 2 Gallon Cans..... | 3.65 | | | | |
| | Quarts..... | .48 | ... | .65 | ... | .68 |
| | Pints..... | .30 | ... | .38 | ... | .40 |
| | Half Pints..... | .17 | ... | .20 | ... | .22 |
| SOUR CREAM | Gallon..... | 1.10 | | | | |
| | Half Pints..... | .09 | ... | .11 | ... | .12 |
| CHURNED BUTTERMILK | 10 Gallon Cans..... | 2.40 | | | | |
| | 3 Gallon Cans..... | .85 | | | | |
| | 2 Gallon Cans..... | .60 | | | | |
| | 1 Gallon Cans..... | .34 | | | | |
| | Quarts..... | .08 | 1/2 | .10 | ... | .11 |
| | Third Quarts..... | .04 | 1/2 | | | |
| | Half Pints..... | .03 | 1/2 | | | |
| SKIM MILK | 10 Gallon Cans..... | 1.60 | | | | |
| | 3 Gallon Cans..... | .55 | | | | |
| | 2 Gallon Cans..... | .40 | | | | |
| | 1 Gallon Cans..... | .20 | | | | |
| | Quarts..... | .07 | ... | .08 | ... | .09 |
| COTTAGE CHEESE | Pounds Bulk..... | .11 | ... | .15 | ... | |
| | Cartons or jars, 10 oz. or less..... | .08 | ... | .10 | ... | .10 |
| | Non-Returnable Glass, 10 Oz. or less..... | .09 | ... | .11 | ... | .11 |
| | | | | | | |

4% MILK, WHOLESALE AND RETAIL

3¢ DEPOSIT ON BOTTLES

EXHIBIT "B-2"

San Bernardino District

The San Bernardino District includes the Communities of Beaumont, Banning, Riverside, San Bernardino, Redlands, Colton, Ontario, Upland, Rialto, Fontana, Pomona, Claremont, Corona, Chino, San Jacinto and Elsinore, and such other parts of the L. A. Metropolitan Area as are served by members of the Dairyman's Association, Inc., of Riverside.

The following wholesale, resale, and retail prices shall be in effect when conditions set forth in Exhibit C, Schedule 1, Section 2 prevail:

TERMS NET - NO QUANTITY DISCOUNT

| | | Wholesale | Minimum | Minimum |
|-----------------------|-------------------------|-----------|---------|-----------|
| | | Prices | Store | Home |
| | | | Selling | Delivered |
| | | | Prices | Prices |
| | | \$ | | |
| GRADE "A" PASTEURIZED | Above 10 Gal., per gal. | .25 | | |
| AND RAW MILK | 10 Gallon Cans..... | 2.50 | | |
| | 3 Gallon Cans..... | .80 | | |
| | 2 Gallon Cans..... | .60 | | |
| | 1 Gallon Cans..... | .30 | | |
| | Quarts..... | .09 |11 |11 |
| | Pints..... | .06 |07 |07 |
| | Third Quarts..... | .04 | | |
| | Half Pints | .03 | | |
| | *Gallons Bulk..... | .40 | | |
| GUARANTEED MILK | Quarts..... | .13 |14 |14 |
| | Pints | .08 |09 |09 |
| CHURNED BUTTERMILK | 10 Gallon Cans..... | 2.00 | | |
| | 2 Gallon Cans..... | .50 | | |
| | 1 Gallon Cans..... | .30 | | |
| | Quarts..... | .08 |10 |10 |
| SKIM MILK | 10 Gallon Cans..... | 1.30 | | |
| | 3 Gallon Cans..... | .45 | | |
| | 2 Gallon Cans..... | .30 | | |
| | 1 Gallon Cans..... | .15 | | |
| | Quarts..... | |06 | |
| TABLE CREAM | 2 Gallon Cans..... | 2.10 | | |
| | 1 Gallon Cans | 1.10 | | |
| | Quarts..... | .35 |40 |40 |
| | Half Pints..... | .13 |15 |15 |
| WHIPPING CREAM | 1 Gallon Cans..... | 2.00 | | |
| | Quarts..... | .60 |75 | |
| | Half Pints..... | .20 |25 | |
| SOUR CREAM | Half Pints..... | .11 | | |

4% MILK, WHOLESALE AND RETAIL.

3¢ DEPOSIT ON BOTTLES

*Note: This price applies only to bulk milk sold on cash and carry basis at creamery or dairy.

EXHIBIT "B-3"

Orange District

The Orange District includes all communities in Orange County and such other parts of the L. A. Metropolitan Area as are served by members of the Orange County Surplus Pool.

The following wholesale, resale, and retail prices shall be in effect when conditions set forth in Exhibit "C", Schedule 2, Section 2, prevail:

| | | Wholesale | Minimum | Minimum | |
|---|----------------------|-----------|---------|-----------|-----|
| | | Prices | Store | Home | |
| | | | Selling | Delivered | |
| | | | Prices | Price | |
| <u>TERMS NET - NO QUANTITY DISCOUNT</u> | | | | | |
| MILK, GRADE "A" | 10 Gallon Cans | \$2.85 | | | |
| | 3 Gallon Cans | .95 | | | |
| | 2 Gallon Cans | .70 | | | |
| | 1 Gallon Cans..... | .36 | | | |
| | Quarts..... | .09 | ... | .11 | ... |
| | Pints | .07 | ... | .08 | ... |
| | Third Quarts..... | .04 1/2 | | | |
| | Half Pints..... | .03 1/2 | | | |
| RAW MILK, GRADE "A" | Quarts | .09 | ... | .11 | ... |
| | Pints | .07 | ... | .08 | ... |
| | Third Quarts..... | .04 1/2 | | | |
| | Half Pints | .03 1/2 | | | |
| | | | | | |
| RAW MILK, GUARANTEED | Quarts | .12 | ... | .14 | ... |
| | Pints | .09 | ... | .10 | ... |
| | | | | | |
| RAW MILK, CERTIFIED | Quarts | .18 | ... | .20 | ... |
| | Pints..... | .11 | ... | .12 | ... |
| | Thirds | .05 1/2 | | | |
| | Halfs | .04 1/2 | | | |
| | | | | | |
| CHOCOLATE MILK | Quarts | .09 | ... | .11 | ... |
| | | | | | |
| TABLE CREAM 27% | 3 Gallon Cans..... | 5.30 | | | |
| | 2 Gallon Cans | 3.60 | | | |
| | Quarts | .45 | ... | .50 | ... |
| | Half Pints | .13 | ... | .15 | ... |
| | | | | | |

EXHIBIT "B-3" (Continued)

WHIPPING CREAM
38%

| | | | | | |
|--------------------|------|-----|-----|-----|-----|
| 3 Gallon Cans..... | 6.85 | | | | |
| 2 Gallon Cans..... | 4.55 | | | | |
| Quarts | .58 | ... | .68 | ... | .68 |
| Half Pints..... | .19 | ... | .22 | ... | .22 |

SOUR CREAM

| | | | | | |
|------------------|------|-----|-----|-----|-----|
| Gallon | 1.10 | | | | |
| Half Pints | .10 | ... | .12 | ... | .12 |

CHURNED BUTTERMILK

| | | | | | |
|---------------------|---------|-----|-----|-----|-----|
| 10 Gallon Cans..... | 2.40 | | | | |
| 3 Gallon Cans..... | .95 | | | | |
| 2 Gallon Cans | .70 | | | | |
| 1 Gallon Cans | .36 | | | | |
| Quarts | .09 | ... | .11 | ... | .11 |
| Third Quarts | .04 1/2 | | | | |
| Half Pints | .03 1/2 | | | | |

SKIM MILK

| | | | | | |
|---------------------|------|-----|-----|-----|-----|
| 10 Gallon Cans..... | 1.50 | | | | |
| 3 Gallon Cans | .55 | | | | |
| 2 Gallon Cans | .38 | | | | |
| 1 Gallon Cans..... | .20 | | | | |
| Quarts | .07 | ... | .08 | ... | .08 |

COTTAGE CHEESE

| | | | | | |
|----------------------|-----|-----|-----|-----|-----|
| Pounds Bulk..... | .11 | ... | .15 | | |
| Cartons or Jars, | | | | | |
| 10 oz. or less..... | .08 | ... | .10 | ... | .10 |
| Non-returnable Glass | | | | | |
| 10 oz. or less..... | .09 | ... | .11 | ... | .11 |

4% MILK, WHOLESALE AND RETAIL

3¢ DEPOSIT ON BOTTLES

EXHIBIT "B-4"

REGULATIONS IN REGARD TO PROTECTIVE
CAPS AND ADDED BUTTERFAT

All prices in the original price schedules; namely, Exhibits "B-1," "B-2," "B-3," and "B-4" and in the several price schedules effective under the Price Control Plan, Exhibit "C", include and are based upon the following:

(1) With the exception of Guaranteed and Certified Milk in which the extra cost of double capping required by law is already included in the scheduled price, all bottled milk or other fluid dairy products sealed with double or protective caps shall carry a minimum additional charge of at least 1¢ per bottle.

*(2) Bottled Grade "A" raw or pasteurized milk, both wholesale and retail, shall contain as a base, a uniform average butterfat content of 4% for any thirty-day period, subject to a tolerance for normal fluctuations of .2 of one percent up or down for any thirty-day period.

(3) A minimum additional charge of at least 1¢ per bottle shall be made for each additional .5 of one percent average increase in the basic uniform butterfat content of Grade "A" raw or pasteurized milk for any thirty-day period, subject to a tolerance for normal fluctuations of .2 of one percent up or down for any thirty-day period.

(4) If the average basic uniform butterfat content of Grade "A" raw or pasteurized milk for any thirty-day period shall exceed the tolerance of a .2 of one percent up or down allowed in Paragraph (3), above, then, the price of such milk shall be advanced or may be reduced 1¢ per bottle, but in no case shall any reduction in price be made below the established minimum price.

*Note:--The intent of Paragraph 2 above is to establish a uniform average butterfat content in bottled raw milk of 4%. The tolerance of .2 of one percent up or down is allowed only to overcome the practical difficulties in raw milk production in standardizing at any given percentage of butterfat.

EXHIBIT "C"

SCHEDULE I

PRICE CONTROL PLAN

The prices to be paid by Distributors for Fluid grade "A" market milk F.O.B. Distributors' city processing plants shall be, as follows:

| | L.A. market quotation 92 score Butter | Differential per lb. B.F. | Total Base Price | Retail Price Per Qt. |
|-----------|--|------------------------------|---------------------|-------------------------|
| Section 1 | Minimum | 20¢ | 25¢ | 45¢ |
| Section 2 | 21 | 28 | 49 | |
| | 22 | " | 50 | 11¢ |
| | 23 | " | 51 | one week at 59¢ after |
| | 24 | " | 52 | butter market declined |
| | 25 | " | 53 | to 25¢ per lb. |
| Section 3 | 26 | 33 | 59 | one week at 53¢ after |
| | 27 | " | 60 | butter market advances |
| | 28 | " | 61 | to 28¢ |
| | 29 | " | 62 | |
| | 30 | " | 63 | 12¢ |

EXHIBIT "C"

SCHEDULE 2

L. A. METROPOLITAN DISTRICT

(10¢ per qt. - Retail)

The following wholesale, resale and retail prices shall be in effect when conditions set forth in exhibit "C", Schedule 1, Section 1, prevail:

TERMS NET - NO QUANTITY DISCOUNT

| | | Wholesale | Minimum | Minimum | |
|--|---------------------|-----------|---------|-----------|-----|
| | | Prices | Store | Home | |
| | | | Selling | Delivered | |
| | | | Prices | Prices | |
| | | \$ | | | |
| <u>MILK, GRADE "A"</u> <u>PASTEURIZED</u> | 10 Gallon Cans..... | 2.50 | | | |
| | 3 Gallon Cans..... | .80 | | | |
| | 2 Gallon Cans..... | .55 | | | |
| | 1 Gallon Cans..... | .30 | | | |
| | Quarts..... | .07 1/2 | .09 | ... | .10 |
| | Pints..... | .05 | .06 | ... | .07 |
| | Third Quarts..... | .04 | | | |
| | Half Pints..... | .03 | | | |
| RAW MILK, GRADE "A" | Quarts..... | .07 1/2 | .09 | ... | .10 |
| | Pints | .05 | .06 | ... | .07 |
| | Third Quarts..... | .04 | | | |
| | Half Pints..... | .03 | | | |
| RAW MILK, GUARANTEED | Quarts | .11 | .12 | ... | .13 |
| | Pints | .06 | .07 | ... | .08 |
| | Third Quarts..... | .05 1/2 | | | |
| | Half Pints..... | .04 1/2 | | | |
| RAW MILK, CERTIFIED | Quarts..... | .13 | .15 | ... | .15 |
| | Pints..... | .08 | .10 | ... | .10 |
| | Third Quarts..... | .06 | | | |
| | Half Pints..... | .05 | | | |
| CHOCOLATE MILK | Quarts | .07 1/2 | .09 | ... | .10 |

EXHIBIT "C" (Continued)
Schedule 2

| | | Wholesale Prices | Minimum Store Selling Prices | Minimum Home Delivered Prices |
|--------------------------------------|----------------------|---------------------|---------------------------------------|--|
| <u>COFFEE CREAM</u> | 3 Gallon Cans | \$ 2.80 | | |
| | 2 " " | 1.80 | | |
| | Quarts | .25 |35 |35 |
| | Pints | .15 |20 |22 |
| | Half Pints | .09 |11 |12 |
| <u>TABLE CREAM 27%</u> | 3 Gallon Cans | 3.15 | | |
| | 2 Gallon Cans | 2.10 | | |
| | Quarts | .28 |40 |40 |
| | Pints | .17 |22 |25 |
| | Half Pints | .11 |13 |14 |
| <u>WHIPPING CREAM 38%</u> | 3 Gallon Cans | 4.65 | | |
| | 2 Gallon Cans | 3.10 | | |
| | Quarts | .40 |60 |60 |
| | Pints | .27 |35 |37 |
| | Half Pints | .15 |18 |20 |
| <u>SOUR CREAM</u> | Gallon | 1.00 | | |
| | Half Pints | .08 |10 |11 |
| <u>CHURNED BUTTERMILK</u> | 10 Gallon Cans | 2.00 | | |
| | 3 Gallon Cans | .75 | | |
| | 2 Gallon Cans | .50 | | |
| | 1 Gallon Cans | .30 | | |
| | Quarts | .07 1/2 | .09 |10 |
| | Third Quarts | .04 | | |
| | Half Pints | .03 | | |
| <u>SKIM MILK</u> | 10 Gallon Cans | 1.40 | | |
| | 2 Gallon Cans | .45 | | |
| | 2 Gallon Cans | .32 | | |
| | 1 Gallon Can | .16 | | |
| | Quarts | .06 |07 |08 |
| <u>COTTAGE CHEESE</u> | Pounds Bulk | .11 |15 | ... |
| | Cartons or Jars, | | | |
| | 10 oz. or less | .08 |10 |10 |
| | Non-Returnable Glass | | | |
| | 10 oz. or less | .09 |11 |11 |
| <u>4% MILK, WHOLESALE AND RETAIL</u> | | .03¢ | <u>DEPOSIT ON BOTTLES</u> | |

EXHIBIT "C"

SCHEDULE 3

L. A. METROPOLITAN DISTRICT

(11¢ per qt. - Retail)

The following wholesale, resale and retail prices shall be in effect when conditions set forth in Exhibit C, Schedule 1, Section 2, prevail:

| TERMS NET - NO QUANTITY DISCOUNT | | Wholesale | Minimum | Minimum |
|----------------------------------|---------------------|-----------|---------|-----------|
| | | Prices | Store | Home |
| | | | Selling | Delivered |
| | | | Prices | Prices |
| | | \$ | | |
| MILK, GRADE "A" PASTEURIZED | 10 Gallon Cans..... | 2.85 | | |
| | 3 Gallon Cans..... | .90 | | |
| | 2 Gallon Cans..... | .65 | | |
| | 1 Gallon Cans..... | .34 | | |
| | Quarts..... | .08 1/2 |10 |11 |
| | Pints..... | .06 |07 |08 |
| | Third Quarts..... | .04 1/2 | | |
| | Half Pints..... | .03 1/2 | | |
| RAW MILK, GRADE "A" | Quarts..... | .08 1/2 | .. .10 | .. .11 |
| | Pints..... | .06 | .. .07 | .. .08 |
| | Third Quarts..... | .04 1/2 | | |
| | Half Pints..... | .03 1/2 | | |
| RAW MILK, GUARANTEED | Quarts..... | .12 | .. .13 | .. .14 |
| | Pints..... | .07 | .. .08 | .. .09 |
| | Third Quarts..... | .06 | | |
| | Half Pints..... | .05 | | |
| RAW MILK, CERTIFIED | Quarts..... | .14 | .. .16 | .. .16 |
| | Pints..... | .09 | .. .11 | .. .11 |
| | Third Quarts..... | .06 1/2 | | |
| | Half Pints..... | .05 1/2 | | |
| CHOCOLATE MILK | Quarts..... | .08 1/2 | .. .10 | .. .11 |

EXHIBIT "C"
Schedule 3 (Continued)

| | | Wholesale Prices | Minimum Store Selling Prices | Minimum Home Delivered Prices |
|-------------------------------|---|---------------------|---------------------------------------|--|
| | | \$ | | |
| COFFEE CREAM 22% | 3 Gallon Cans..... | 3.20 | | |
| | 2 Gallon Cans..... | 2.20 | | |
| | Quarts..... | .30 |38 |40 |
| | Pints..... | .17 |22 |24 |
| | Half Pints..... | .10 |12 |13 |
| TABLE CREAM 27% | 3 Gallon Cans..... | 3.65 | | |
| | 2 Gallon Cans..... | 2.50 | | |
| | Quarts..... | .33 |43 |45 |
| | Pints..... | .19 |24 |27 |
| | Half Pints..... | .12 |14 |15 |
| WHIPPING CREAM 38% | 3 Gallon Cans..... | 5.50 | | |
| | 2 Gallon Cans..... | 3.65 | | |
| | Quarts..... | .48 |65 |68 |
| | Pints..... | .30 |38 |40 |
| | Half Pints..... | .17 |20 |22 |
| SOUR CREAM | Gallon..... | 1.10 | | |
| | Half Pints..... | .09 |11 |12 |
| CHURNED BUTTERMILK | 10 Gallon Cans..... | 2.40 | | |
| | 3 Gallon Cans..... | .85 | | |
| | 2 Gallon Cans..... | .60 | | |
| | 1 Gallon Cans..... | .34 | | |
| | Quarts..... | .08 1/2.. | .10 |11 |
| | Third Quarts..... | .04 1/2 | | |
| | Half Pints..... | .03 1/2 | | |
| SKIM MILK | 10 Gallon Cans..... | 1.60 | | |
| | 3 Gallon Cans..... | .55 | | |
| | 2 Gallon Cans..... | .40 | | |
| | 1 Gallon Cans..... | .20 | | |
| | Quarts..... | .07 |08 |09 |
| COTTAGE CHEESE | Pounds Bulk..... | .11 |15 | |
| | Cartons or Jars, 10 oz. or less..... | .08 |10 |10 |
| | Non-returnable Glass, 10 oz. or less.. | .09 |11 |11 |
| 4% MILK, WHOLESALE AND RETAIL | | | 3¢ DEPOSIT ON BOTTLES. | |

EXHIBIT "C"

SCHEDULE 4

L. A. METROPOLITAN DISTRICT

(12¢ per qt. - Retail)

The following wholesale, resale and retail prices shall be in effect when conditions set forth in Exhibit C, Schedule 11, Section 3, prevail:

| TERMS NET -- NO. QUANTITY DISCOUNT | | Minimum | Minimum |
|------------------------------------|---------------------|------------|-------------|
| | | Store | Home |
| | | Selling | Delivered |
| | | Prices | Prices |
| | | Wholesale | |
| | | Prices | |
| | | \$ | |
| MILK, GRADE "A" | 10 Gallon Cans..... | 3.15 | |
| | 3 Gallon Cans..... | 1.00 | |
| | 2 Gallon Cans..... | .72 | |
| | 1 Gallon Cans..... | .38 | |
| | Quarts..... | .09 1/2 .. | .1112 |
| | Pints..... | .07 | .0809 |
| | Third Quarts..... | .05 | |
| | Half Pints..... | .04 | |
| RAW MILK, GRADE "A" | Quarts..... | .09 1/2 .. | .1112 |
| | Pints..... | .07 | .0809 |
| | Third Quarts..... | .05 | |
| | Half Pints..... | .04 | |
| RAW MILK, GUARANTEED | Quarts..... | .13 | .1415 |
| | Pints..... | .08 | .0910 |
| | Third Quarts..... | .06 1/2 .. | |
| | Half Pints..... | .05 1/2 | |
| RAW MILK, CERTIFIED | Quarts..... | .15 | .1717 |
| | Pints..... | .10 | .1212 |
| | Third Quarts..... | .07 | |
| | Half Pints..... | .06 | |
| CHOCOLATE MILK | Quarts..... | .09 1/2 .. | .1112 |

EXHIBIT "C"
Schedule 4 (Continued)

| | | Wholesale Prices | Minimum Store Selling Prices | Minimum Home Delivered Prices |
|--------------------|-----------------------|---------------------|---------------------------------------|--|
| | | \$ | | |
| COFFEE CREAM 22% | 3 Gallon Cans..... | 3.55 | | |
| | 2 Gallon Cans..... | 2.45 | | |
| | Quarts..... | .34 | .42 | .44 |
| | Pints..... | .19 | .25 | .27 |
| | Half Pints..... | .11 | .13 | .14 |
| TABLE CREAM 27% | 3 Gallon Cans..... | 4.10 | | |
| | 2 Gallon Cans..... | 2.80 | | |
| | Quarts..... | .40 | .50 | .52 |
| | Pints..... | .21 | .26 | .29 |
| | Half Pints..... | .13 | .15 | .16 |
| WHIPPING CREAM 38% | 3 Gallon Cans..... | 6.20 | | |
| | 2 Gallon Cans..... | 4.10 | | |
| | Quarts..... | .53 | .70 | .73 |
| | Pints..... | .36 | .44 | .46 |
| | Half Pints..... | .19 | .22 | .24 |
| SOUR CREAM | Gallon..... | 1.25 | | |
| | Half Pints..... | .10 | .12 | .13 |
| CHURNED BUTTERMILK | 10 Gallon Cans..... | 2.70 | | |
| | 3 Gallon Cans..... | .95 | | |
| | 2 Gallon Cans..... | .70 | | |
| | 1 Gallon Cans..... | .38 | | |
| | Quarts..... | .09 1/2 | .11 | .12 |
| | Third Quarts..... | .05 | | |
| | Half Pints..... | .04 | | |
| SKIM MILK | 10 Gallon Cans..... | 1.80 | | |
| | 3 Gallon Cans..... | .65 | | |
| | 2 Gallon Cans..... | .48 | | |
| | 1 Gallon Cans..... | .25 | | |
| | Quarts..... | .08 | .09 | .10 |
| COTTAGE CHEESE | Pounds Bulk..... | .12 | .16 | |
| | Cartons or Jars | | | |
| | 10 oz. or less..... | .09 | .11 | .11 |
| | Non Returnable Glass, | | | |
| | 10 oz. or less..... | .10 | .12 | .12 |

4% MILK, WHOLESALE AND RETAIL

3¢ DEPOSIT ON BOTTLES.

EXHIBIT "C"

SCHEDULE 5

San Bernardino County District

(11¢ per qt. - Retail)

The following wholesale, resale, and retail prices shall be in effect when conditions set forth in Exhibit C, Schedule 1, Section 1, prevail:

TERMS NET - NO QUANTITY DISCOUNT

| | | Wholesale Prices \$ | Minimum Store Selling Prices | Minimum Home Delivered Prices |
|---------------------------------------|------------------------|---------------------------|---------------------------------------|--|
| GRADE "A" PASTEURIZED AND RAW MILK | Above 10 Gal. per gal. | .25 | | |
| | 10 Gallon Cans..... | 2.50 | | |
| | 3 Gallon Cans..... | .80 | | |
| | 2 Gallon Cans..... | .60 | | |
| | 1 Gallon Cans..... | .30 | | |
| | Quarts..... | .09 |11 |11 |
| | Pints..... | .06 |07 |07 |
| | Third Quarts..... | .04 | | |
| | Half Pints..... | .03 | | |
| | *Gallons Bulk..... | .40 | | |
| GUARANTEED MILK | Quarts..... | .13 |14 |14 |
| | Pints..... | .08 |09 |09 |
| CHURNED BUTTERMILK | 10 Gallon Cans..... | 2.00 | | |
| | 2 Gallon Cans..... | .50 | | |
| | 1 Gallon Cans..... | .30 | | |
| | Quarts..... | .08 |10 |10 |
| SKIM MILK | 10 Gallon Cans..... | 1.30 | | |
| | 3 Gallon Cans..... | .45 | | |
| | 2 Gallon Cans..... | .30 | | |
| | 1 Gallon Cans..... | .15 | | |
| | Quarts..... | |06 |06 |
| TABLE CREAM | 2 Gallon Cans..... | 2.10 | | |
| | 1 Gallon Cans..... | 1.10 | | |
| | Quarts..... | .35 |40 |40 |
| | Half Pints..... | .13 |15 |15 |
| WHIPPING CREAM | 1 Gallon Cans..... | 2.00 | | |
| | Quarts..... | .60 |75 |75 |
| | Half Pints..... | .20 |25 |25 |
| SOUR CREAM | Half Pints..... | .11 | | |

4% MILK, WHOLESALE AND RETAIL.

3¢ DEPOSIT ON BOTTLES

*Note: This price applies only to bulk milk sold on cash and carry basis at creamery or dairy.

EXHIBIT "C"

SCHEDULE 6

SAN BERNARDINO COUNTY DISTRICT

(12¢ per qt. - Retail)

The following wholesale, resale, and retail prices shall be in effect when conditions set forth in Exhibit C, Schedule 1, Section 2, prevail:

TERMS NET - NO QUANTITY DISCOUNT

| | | Wholesale Prices | Minimum Store Selling Prices | Minimum Home Delivered Prices |
|---------------------------------------|-------------------------|---------------------|---------------------------------------|--|
| | | \$ | | |
| GRADE "A" PASTEURIZED AND RAW MILK | Above 10 Gal., per gal. | .30 | | |
| | 10 Gallon Cans..... | 2.85 | | |
| | 3 Gallon Cans..... | .90 | | |
| | 2 Gallon Cans..... | .70 | | |
| | 1 Gallon Cans..... | .34 | | |
| | Quarts..... | .10 |12 |12 |
| | Pints..... | .07 |08 |08 |
| | Third Quarts..... | .04 1/2 | | |
| | Half Pints..... | .03 1/2 | | |
| | *Gallons Bulk..... | .44 | | |
| GUARANTEED MILK | Quarts..... | .14 |15 |15 |
| | Pints..... | .09 |10 |10 |
| CHURNED BUTTERMILK | 10 Gallon Cans..... | 2.40 | | |
| | 2 Gallon Cans..... | .60 | | |
| | 1 Gallon Cans..... | .34 | | |
| | Quarts..... | .09 |11 |11 |
| SKIM MILK | 10 Gallon Cans..... | 1.50 | | |
| | 3 Gallon Cans..... | .55 | | |
| | 2 Gallon Cans..... | .38 | | |
| | 1 Gallon Cans..... | .20 | | |
| | Quarts..... | | | .07 |
| TABLE CREAM | 2 Gallon Cans..... | 2.40 | | |
| | 1 Gallon Cans..... | 1.25 | | |
| | Quarts..... | .40 |45 |45 |
| | Half Pints..... | .14 |16 |16 |
| WHIPPING CREAM | 1 Gallon Cans..... | 2.25 | | |
| | Quarts..... | .70 |80 |80 |
| | Half Pints..... | .22 |27 |27 |
| SOUR CREAM | Half Pints..... | .12 | | |

4% MILK, WHOLESALE AND RETAIL.

3¢ DEPOSIT ON BOTTLES

*Note: This price applies only to bulk milk sold on cash and carry basis at creamery or dairy.

EXHIBIT "C"

SCHEDULE 7

SAN BERNARDINO COUNTY DISTRICT

(13¢ per qt. - Retail)

The following wholesale, resale, and retail prices shall be in effect when conditions set forth in Exhibit C, Schedule 1, Section 3, prevail:

TERMS NET - NO QUANTITY DISCOUNT

| | | Wholesale | Minimum | Minimum | |
|---------------------------------------|-------------------------|-----------|---------|-----------|--|
| | | Prices | Store | Home | |
| | | | Selling | Delivered | |
| | | | Prices | Prices | |
| | | \$ | | | |
| GRADE "A" PASTEURIZED AND RAW MILK | Above 10 Gal., per gal. | .35 | | | |
| | 10 Gallon Cans..... | 3.20 | | | |
| | 3 Gallon Cans..... | 1.00 | | | |
| | 2 Gallon Cans..... | .80 | | | |
| | 1 Gallon Cans..... | .38 | | | |
| | Quarts..... | .11 |13 |13 | |
| | Pints..... | .08 |09 |09 | |
| | Third Quarts..... | .05 | | | |
| | Half Pints..... | .04 | | | |
| *Gallons Bulk..... | | .48 | | | |
| GUARANTEED MILK | Quarts..... | .15 |16 |16 | |
| | Pints..... | .10 |11 |11 | |
| CHURNED BUTTERMILK | 10 Gallon Cans..... | 2.80 | | | |
| | 2 Gallon Cans..... | .70 | | | |
| | 1 Gallon Cans..... | .38 | | | |
| | Quarts..... | .10 |12 |12 | |
| SKIM MILK | 10 Gallon Cans..... | 1.70 | | | |
| | 3 Gallon Cans..... | .65 | | | |
| | 2 Gallon Cans..... | .46 | | | |
| | 1 Gallon Cans..... | .25 | | | |
| | Quarts..... | |08 |08 | |
| TABLE CREAM | 2 Gallon Cans..... | 2.70 | | | |
| | 1 Gallon Cans..... | 1.40 | | | |
| | Quarts..... | .45 |50 |50 | |
| | Half Pints..... | .15 |17 |17 | |
| WHIPPING CREAM | 1 Gallon Cans..... | 2.50 | | | |
| | Quarts..... | .80 |90 |90 | |
| | Half Pints..... | .24 |32 |32 | |
| SOUR CREAM... | Half Pints..... | .13 | | | |

4% MILK, WHOLESALE AND RETAIL.

3¢ DEPOSIT ON BOTTLES.

*Note: This price applies only to bulk milk sold on cash and carry basis at creamery or dairy.

EXHIBIT "C"

SCHEDULE 8

ORANGE COUNTY DISTRICT

(10¢ per qt. - Retail)

The following wholesale, resale and retail prices shall be in effect when conditions set forth in Exhibit C, Schedule 1, Section 1, prevail:

TERMS NET - NO QUANTITY DISCOUNT

| | | Wholesale Prices | | Minimum Store Selling Prices | Minimum Home Delivered Prices |
|-------------------------|---------------------|---------------------|-----|---------------------------------------|--|
| | | \$ | | | |
| MILK, GRADE "A" | 10 Gallon Cans..... | 2.50 | | | |
| PASTEURIZED | 3 Gallon Cans..... | .85 | | | |
| | 2 Gallon Cans..... | .60 | | | |
| | 1 Gallon Cans..... | .32 | | | |
| | Quarts..... | .08 | ... | .10 | ... |
| | Pints..... | .06 | ... | .07 | ... |
| | Third Quarts..... | .04 | | | |
| | Half Pints..... | .03 | | | |
| RAW MILK, GRADE "A" | Quarts..... | .08 | ... | .10 | ... |
| | Pints..... | .06 | ... | .07 | ... |
| | Third Quarts..... | .04 | | | |
| | Half Pints..... | .03 | | | |
| RAW MILK, GUARANTEED | Quarts..... | .11 | ... | .13 | ... |
| | Pints..... | .08 | ... | .09 | ... |
| RAW MILK, CERTIFIED | Quarts..... | .18 | ... | .20 | ... |
| | Pints..... | .11 | ... | .12 | ... |
| | Thirds..... | .05 | | | |
| | Half Pints..... | .04 | | | |
| CHOCOLATE MILK | Quarts..... | .08 | ... | .10 | ... |
| TABLE CREAM 27% | 3 Gallon Cans..... | 4.80 | | | |
| | 2 Gallon Cans..... | 3.20 | | | |
| | Quarts..... | .40 | ... | .45 | ... |
| | Half Pints..... | .12 | ... | .14 | ... |
| WHIPPING CREAM 38% | 3 Gallon Cans..... | 6.00 | | | |
| | 2 Gallon Cans..... | 4.00 | | | |
| | Quarts..... | .50 | ... | .60 | ... |
| | Half Pints..... | .17 | ... | .20 | ... |

EXHIBIT "C"
Schedule 8 (Continued)

| | | Wholesale Prices | Minimum Store Selling Prices | Minimum Home Delivered Prices |
|-------------------------------|--|---------------------|---------------------------------------|--|
| | | \$ | | |
| SOUR CREAM | Gallon Cans..... | 1.00 | | |
| | Half Pints..... | .09 |11 ... | .12 |
| CHURNED BUTTERMILK | 10 Gallon Cans..... | 2.00 | | |
| | 3 Gallon Cans..... | .85 | | |
| | 2 Gallon Cans..... | .60 | | |
| | 1 Gallon Cans..... | .32 | | |
| | Quarts..... | .08 |10 ... | .10 |
| | Third Quarts..... | .04 | | |
| | Half Pints..... | .03 | | |
| SKIM MILK | 10 Gallon Cans..... | 1.30 | | |
| | 3 Gallon Cans..... | .45 | | |
| | 2 Gallon Cans..... | .30 | | |
| | 1 Gallon Cans..... | .15 | | |
| | Quarts..... | .06 |07 ... | .07 |
| COTTAGE CHEESE | Pounds Bulk..... | .11 |15 | |
| | Cartons or Jars, 10 oz. or less..... | .08 |10 ... | .10 |
| | non returnable glass, 10 oz. or less..... | .10 |11 ... | .11 |
| 4% MILK, WHOLESALE AND RETAIL | | | 3¢ DEPOSIT ON BOTTLES | |

EXHIBIT "C"

SCHEDULE 9

ORANGE COUNTY DISTRICT

(11¢ per qt. - Retail)

The following wholesale, resale, and retail prices shall be in effect when conditions set forth in Exhibit C, Schedule 2, Section 2, prevail:

TERMS NET - NO QUANTITY DISCOUNT

| | Wholesale Prices | Minimum Store Selling Prices | Minimum Home Delivered Prices |
|-----------------|---------------------|---------------------------------------|--|
| | \$ | | |
| MILK, GRADE "A" | 10 Gallon Cans..... | 2.85 | |
| | 3 Gallon Cans..... | .95 | |
| | 2 Gallon Cans..... | .70 | |

EXHIBIT "C"
Schedule 9 (Continued)

| | | Wholesale Prices | Minimum Store Selling Prices | Minimum Home Delivered Prices |
|----------------------|---------------------|---------------------|---------------------------------------|--|
| | | \$ | | |
| MILK, GRADE "A" | 1 Gallon Cans..... | .36 | | |
| PASTEURIZED | Quarts..... | .09 ... | .11 ... | .11 |
| | Pints..... | .07 ... | .08 ... | .08 |
| | Third Quarts..... | .04 1/2 | | |
| | Half Pints..... | .03 1/2 | | |
| RAW MILK, GRADE "A" | Quarts..... | .09 ... | .11 ... | .11 |
| | Pints..... | .07 ... | .08 ... | .08 |
| | Third Quarts..... | .04 1/2 | | |
| | Half Pints..... | .03 1/2 | | |
| RAW MILK, GUARANTEED | Quarts..... | .12 ... | .14 ... | .14 |
| | Pints..... | .09 ... | .10 ... | .10 |
| RAW MILK, CERTIFIED | Quarts..... | .18 ... | .20 ... | .20 |
| | Pints..... | .11 ... | .12 ... | .12 |
| | Third Quarts..... | .05 1/2 | | |
| | Half Pints..... | .04 1/2 | | |
| CHOCOLATE MILK | Quarts..... | .09 ... | .11 ... | .11 |
| TABLE CREAM 27% | 3 Gallon Cans..... | 5.30 | | |
| | 2 Gallon Cans..... | 3.60 | | |
| | Quarts..... | .45 | .50 | .50 |
| | Half Pints..... | .13 ... | .15 ... | .15 |
| WHIPPING CREAM 38% | 3 Gallon Cans..... | 6.85 | | |
| | 2 Gallon Cans..... | 4.55 | | |
| | Quarts..... | .58 ... | .68 ... | .68 |
| | Half Pints..... | .19 ... | .22 ... | .22 |
| SOUR CREAM | Gallon..... | 1.10 | | |
| | Half Pints..... | .10 ... | .12 ... | .2 |
| CHURNED BUTTERMILK | 10 Gallon Cans..... | 2.40 | | |
| | 3 Gallon Cans..... | .95 | | |
| | 2 Gallon Cans..... | .70 | | |
| | 1 Gallon Cans..... | .36 | | |
| | Quarts..... | .09 ... | .11 ... | .11 |
| | Third Quarts..... | .04 1/2 | | |
| | Half Pints..... | .03 1/2 | | |
| SKIM MILK | 10 Gallon Cans..... | 1.50 | | |
| | 3 Gallon Cans..... | .55 | | |
| | 2 Gallon Cans..... | .38 | | |
| | 1 Gallon Cans..... | .20 | | |
| | Quarts..... | .07 ... | .08 ... | .08 |

EXHIBIT "C"
Schedule 9 (Continued)

| | | Wholesale Prices | | Minimum Store Selling Prices | Minimum Home Delivered Prices |
|----------------|----------------------|---------------------|-----|---------------------------------------|--|
| | | \$ | | | |
| COTTAGE CHEESE | Pounds Bulk..... | .11 | ... | .15 | |
| | Cartons or Jars, | | | | |
| | 10 oz. or less..... | .08 | ... | .10 | ... |
| | Non-returnable Glass | | | | |
| | 10 oz. or less..... | .09 | ... | .11 | ... |

4% MILK, WHOLESALE AND RETAIL

3¢ DEPOSIT ON BOTTLES

EXHIBIT "C"

SCHEDULE 10

ORANGE COUNTY DISTRICT

.(12¢ per qt. - Retail)

The following wholesale, resale, and retail prices shall be in effect when conditions set forth in Exhibit C, Schedule 1, Section 2, prevail:

TERMS NET - NO QUANTITY DISCOUNT

| | | Wholesale Prices | | Minimum Store Selling Prices | Minimum Home Delivered Prices |
|---------------------|---------------------|---------------------|-----|---------------------------------------|--|
| | | \$ | | | |
| MILK, GRADE "A" | 10 Gallon Cans..... | 3.20 | | | |
| PASTEURIZED | 3 Gallon Cans..... | 1.05 | | | |
| | 2 Gallon Cans..... | .80 | | | |
| | 1 Gallon Cans..... | .40 | | | |
| | Quarts..... | .10 | ... | .12 | ... |
| | Pints..... | .08 | ... | .09 | ... |
| | Third Quarts..... | .05 | | | |
| | Half Pints..... | .04 | | | |
| RAW MILK, GRADE "A" | Quarts..... | .10 | ... | .12 | ... |
| | Pints..... | .08 | ... | .09 | ... |
| | Third Quarts..... | .05 | | | |
| | Half Pints..... | .04 | | | |
| RAW MILK, | Quarts..... | .13 | ... | .15 | ... |
| GUARANTEED | Pints..... | .10 | ... | .11 | ... |
| RAW MILK, | Quarts..... | .19 | ... | .21 | ... |
| CERTIFIED | Pints..... | .12 | ... | .13 | ... |
| | Thirds..... | .06 | | | |
| | Halfs..... | .05 | | | |
| CHOCOLATE MILK | Quarts..... | .10 | ... | .12 | ... |

EXHIBIT "C"
Schedule 10 (Continued)

| | | Wholesale Prices | | Minimum Store Selling Prices | Minimum Home Delivered Prices |
|-------------------------------|----------------------|---------------------|-----------------------|---------------------------------------|--|
| | | \$ | | | |
| TABLE CREAM 27% | 3 Gallon Cans..... | 5.80 | | | |
| | 2 Gallon Cans..... | 4.00 | | | |
| | Quarts..... | .50 | ... | .55 | ... |
| | Half Pints..... | .14 | ... | .16 | ... |
| WHIPPING CREAM 38% | 3 Gallon Cans..... | 7.70 | | | |
| | 2 Gallon Cans..... | 5.10 | | | |
| | Quarts..... | .66 | ... | .76 | ... |
| | Half Pints..... | .21 | ... | .24 | ... |
| SOUR CREAM | Gallon..... | 1.20 | | | |
| | Half Pints..... | .11 | ... | .13 | ... |
| CHURNED BUTTERMILK | 10 Gallon Cans..... | 2.80 | | | |
| | 3 Gallon Cans..... | 1.05 | | | |
| | 2 Gallon Cans..... | .80 | | | |
| | 1 Gallon Cans..... | .40 | | | |
| | Quarts..... | .10 | ... | .12 | ... |
| | Third Quarts..... | .05 | | | |
| | Half Pints..... | .04 | | | |
| SKIM MILK | 10 Gallon Cans..... | 1.70 | | | |
| | 3 Gallon Cans..... | .65 | | | |
| | 2 Gallon Cans..... | .46 | | | |
| | 1 Gallon Cans..... | .25 | | | |
| | Quarts..... | .08 | ... | .09 | ... |
| COTTAGE CHEESE | Pounds Bulk..... | .12 | ... | .16 | |
| | Cartons or Jars, | | | | |
| | 10 oz. or less..... | .09 | ... | .11 | ... |
| | Non-returnable Glass | | | | |
| | 10 oz. or less..... | .10 | ... | .12 | ... |
| 4% MILK, WHOLESALE AND RETAIL | | | | | |
| | | | 3¢ DEPOSIT ON BOTTLES | | |

EXHIBIT "C"

SCHEDULE 11

COTTAGE CHEESE RULES, REGULATIONS AND PRICE SCHEDULES

(10¢ and 11¢ per qt. - Retail)

L. A. Metropolitan, San Bernardino and Orange County District.

The following rules, regulations and price schedules shall be established and maintained while the conditions set forth in Exhibit "C", Schedule 1, Sections 1 and 2 prevail:

CREAMED COTTAGE CHEESE

The net wholesale prices shall be as follows, depending on the quantity purchased by a customer:

| | |
|--|----------------|
| 1 to 250 lbs. per month, inclusive . . . | \$.11 per lb. |
| 251 to 1250 " " " " . . . | .10 " " |
| Over 1250 " " " " . . . | .09 " " |

All customers shall be sold at 11¢ per pound. At the end of each month, credit shall be issued to those customers whose purchases have exceeded 250 pounds, adjusting the 11¢ price to the proper quantity price.

The minimum resale price of bulk creamed cottage cheese shall be 15¢ per pound.

All distributors shall charge the same prices for carry-out pails:

| | |
|-----------------|-------------|
| Quarts | 80¢ per 100 |
| Pints... .. | 55¢ " " |
| Half-Pints..... | 45¢ " " |

Chain stores shall be permitted to combine purchases of all stores to determine their quantity price. The privilege of combining the purchases of all stores in a chain shall apply, however, only to bona fide chain stores comprising two or more stores under identical ownership and not so-called buying associations.

EXHIBIT "C"
Schedule 11 (Continued)

In the case of split stops the customer shall receive the quantity price corresponding to his total purchases from both or all of the distributors serving him.

All distributors using paper cartons shall standardize on a 10 oz. carton.

| | Wholesale | Minimum Resale | Retail |
|-----------------------|-----------|----------------|--------|
| Cartons or Jars, | | | |
| 10 oz. or less..... | .08 ... | .10 ... | .10 |
| Non-returnable glass, | | | |
| 10 oz. or less..... | .09 ... | .11 ... | .11 |

DRY COTTAGE CHEESE

Prices shall be as follows:

| Bulk | Wholesale | Minimum Resale |
|------------------|-------------|-----------------|
| Dry Curd..... | .08 per lb. |10 per lb. |
| Special Mix..... | .08 " " |10 " " |
| Hoop Cheese..... | .08 " " |12 " " |

No quantity price shall apply on above list.

CHURNED BUTTERMILK

| | Wholesale | Minimum Resale | Retail |
|---------------------|------------|----------------|--------|
| 10 Gallon Cans..... | 2.40 | | |
| 3 Gallon Cans..... | .85 | | |
| 2 Gallon Cans..... | .60 | | |
| 1 Gallon Cans..... | .34 | | |
| Quarts..... | .08 1/2 .. | .10 .. | .11 |
| 1/3 Qts..... | .04 1/2 | | |
| 1/2 Pts..... | .03 1/2 | | |

Sales of 13 or more 10-gallon cans per week shall be prices at \$2.15 net, per 10-gallon can.

The minimum resale price of butter milk in bulk from retail stores shall be .08 per quart and .30 per gallon.

EXHIBIT "C"
Schedule 11 (Continued)

SOUR CREAM

Prices shall be as follows:

| | <u>Wholesale</u> | <u>Minimum Resale</u> | <u>Retail</u> |
|---------------------|------------------|---------------------------|---------------|
| 10 Gallon Cans..... | 11.00 | | |
| 1 Gallon Cans..... | 1.10 | | |
| 1/2 Pints..... | .09 |11 |12 |

TRADE PRACTICES

No inside signs shall be installed at customer's place of business other than those describing the brand and product. The cost of such signs installed hereafter shall not exceed \$2.00 each, except such signs as distributors now have on hand may be used temporarily until Exhibit "G", Schedule 2, becomes effective, and shall be used with present customers only and not with new customers.

No equipment shall be supplied to customers other than pans, spoons, racks and carton dispensers for cottage cheese and buttermilk containers.

Buttermilk containers shall not be iced by any distributor.

New stops opening up shall not be given free samples, any free merchandise or advertising allowances.

Cottage Cheese demonstrations shall be allowed, but not buttermilk demonstrations.

Cottage Cheese shall not be sold in any combination sale, or demonstration, which involves a cut price on any article in the combination.

EXHIBIT "C"

SCHEDULE 12

COTTAGE CHEESE RULES, REGULATIONS AND PRICE SCHEDULES

(12¢ per qt. -- Retail)

L. A. Metropolitan, San Bernardino and Orange County District.

The following rules, regulations and price schedules shall be established and maintained while the conditions set forth in Exhibit C, Schedule 1, Section 3 prevail:

CREAMED COTTAGE CHEESE

The net wholesale prices shall be as follows, depending on the quantity purchased by a customer:

| | | |
|------------------------------------|---------|-------------|
| 1 to 250 lbs. per month, inclusive |\$ | .13 per lb. |
| 251 to 1250 " " " " | | .12 " " |
| Over 1250 " " " " | | .11 " " |

All customer shall be sold at 13¢ per pound. At the end of each month, credit memos shall be issued to those customers whose purchases have exceeded 250 pounds, adjusting the 13¢ price to the proper quantity price.

The minimum resale price of bulk creamed cottage cheese shall be 17¢ per pound.

All distributors shall charge the same prices for carry-out pails:

Chain stores shall be allowed to combine purchases of all stores to determine their quantity price. The privilege of combining the purchases of all stores in a chain shall apply, however, only to bona fide chain stores comprising 2 or more stores under identical ownership and not to so-called buying associations.

EXHIBIT "C"
Schedule 12 (Continued)

In the case of split stops the customer shall receive the quantity price corresponding to his total purchases from both or all of the distributors serving him.

All distributors using paper cartons shall standardize on a 10 oz. carton.

| | <u>Wholesale</u> | <u>Minimum Resale</u> | <u>Retail</u> |
|--|------------------|---------------------------|---------------|
| Cartons or Jars, 10 oz. or less..... | .09 |11 |11 |
| Non-returnable glass, 10 oz. or less..... | .10 |12 |12 |

DRY COTTAGE CHEESE

Prices shall be as follows:

| | <u>Wholesale</u> | <u>Minimum Resale</u> |
|------------------|------------------|---------------------------|
| <u>Bulk</u> | | |
| Dry Curd..... | .10 per lb. | .12 per lb. |
| Special Mix..... | .10 " " | .12 " " |
| Hoop Cheese..... | .10 " " | .14 " " |

No quantity price shall apply on the above list.

CHURNED BUTTERMILK

| | <u>Wholesale</u> | <u>Minimum Resale</u> | <u>Retail</u> |
|---------------------|------------------|---------------------------|---------------|
| 10 Gallon Cans..... | 2.70 | | |
| 3 Gallon Cans..... | .95 | | |
| 2 Gallon Cans..... | .70 | | |
| 1 Gallon Cans..... | .38 | | |
| Quarts..... | .09 1/2 .. | .11 |12 |
| 1/3 Quarts..... | .05 | | |
| 1/2 Pints..... | .04 | | |

Sales of 13 or more 10-gallon cans per week shall be priced at \$2.50 net, per ten gallon can.

The minimum resale price of buttermilk in bulk from retail stores shall be 9¢ per quart and 35¢ per gallon.

EXHIBIT "C"
Schedule 12 (Continued)

SOUR CREAM

Prices shall be as follows:

| | <u>Wholesale</u> | <u>Minimum Resale</u> | <u>Retail</u> |
|---------------------|------------------|---------------------------|---------------|
| 10 Gallon Cans..... | 12.50 | | |
| 1 Gallon Cans..... | 1.25 | | |
| 1/2 Pints..... | .10 |12 ... | .13 |

TRADE PRACTICES

No inside signs shall be installed at customer's place of business other than those describing the brand and product. The cost of such signs installed hereafter shall not exceed \$2.00 each.

No equipment shall be supplied to customers other than pans, spoons, racks and carton dispensers for cottage cheese and buttermilk containers.

Buttermilk containers shall not be iced by any distributor.

New stops opening up shall not be given free samples, any free merchandise or advertising allowances.

Cottage Cheese demonstrations shall be allowed, but not buttermilk demonstrations.

Cottage Cheese shall not be sold on any combination sale, or demonstration, which involves a cut price on any article in the combination.

EXHIBIT "C"

SCHEDULE 13

CREAM JOBBING PRICE SCHEDULE

(10¢ per qt. -- Retail)

The following schedule of prices shall be in effect when conditions set forth in Exhibit "C", Schedule 1, Section 1, prevail:

MANUFACTURING CREAM:

All quantities of 10 Gallons or over, in 10-Gallon cans.

38% to 40% pasteurized ... 10¢ over L. A. Market quotation for 92 Score Butter
22% to 27% " ... 12¢ " " " " " " " " " "
22% homogenized and pasteurized 13¢ over L.A. Market quotation for 92 Score "

2 or 3 Gallon quantities:

| | | |
|-----------------|-------|-------------------|
| 22% Homogenized | | \$.80 per gallon |
| 27% pasteurized | | .90 " " |
| 38% pasteurized | | 1.35 " " |

CHURNING CREAM:

Any quantity:

\$.08 over L. A. Market quotation for 92 Score Butter

GRADE A CREAM:

All quantities of 10 Gallons or over in 10 Gallon cans.

38% to 40% Raw or Pasteurized \$.14 over L.A. Market Quotation for 92 Score Butter
22% to 27% Pasteurized .16 " " " " " " " "

CONDENSED SKIM MILK:

10 Gallon quantities or over25 per gallon
Less than 10-gallon quantities..... .30 per gallon

PASTEURIZED SKIM MILK:

For manufacturing:

10 Gallon quantities or over07 per gallon

EXHIBIT "C"

SCHEDULE 14

CREAM JOBBING PRICE SCHEDULE

(11¢ per qt. - Retail)

The following schedule of prices shall be in effect when conditions set forth in Exhibit "C", Schedule 1, Section 2, prevail:

MANUFACTURING CREAM:

All quantities of 10 Gallons or over, in 10- gallon cans.

38% to 40% pasteurized14¢ over L.A. Market quotation for 92 Score Butter
 22% to 27% pasteurized16¢ over " " " " " "
 22% homogenized and pasteurized 17¢ over L.A. " " " " " "

2 or 3 Gallon quantities:

22% Homogenized \$1.10 per gallon
 27% pasteurized 1.20 " "
 38% pasteurized..... 1.75 " "

CHURING CREAM:

Any quantity:

.12 over L.A. Market quotation for 92 Score Butter.

GRADE A CREAM:

All quantities of 10 Gallons or over, in 10-gallon cans:

38% to 40% Raw or Pasteurized... .18 over L.A. Market quotation for 92 Score Butter
 22% to 27% Pasteurized.....20 " " " " " " " "

CONDENSED SKIM MILK:

10 Gallon quantities or over..... .30 per gallon
 Less than 10 Gallon quantities.....35 " "

PASTEURIZED SKIM MILK:

For manufacturing:

10 Gallon quantities or over..... .08 per gallon.

EXHIBIT "C"

SCHEDULE 15

JOBBER CREAM PRICE SCHEDULE

(12¢ per qt. - Retail)

The following schedule of prices shall be in effect when conditions set forth in Exhibit C, Schedule 1, Section 3, prevail:

MANUFACTURING CREAM:

All quantities of 10 Gallons or over, in 10 Gallon cans:

| | |
|---------------------------------|--|
| 38% to 40% pasteurized .. | 15¢ over L.A. Market quotation for 92 Score Butter |
| 22% to 27% " .. | 17¢ " " " " " " " " |
| 22% homogenized and pasteurized | 18¢ over L.A. Market " " " " " |

2 or 3 Gallon Quantities

| | |
|-----------------------|-------------------|
| 22% homogenized | \$1.45 per gallon |
| 27% pasteurized | 1.55 " " |
| 38% pasteurized | 2.10 " " |

CHURNING CREAM:

Any quantity:

\$.15 over L.A. Market quotation for 92 Score Butter

GRADE A CREAM:

All quantities of 10 Gallons or over, in 10 Gallon cans:

| | |
|----------------------------------|---|
| 38% to 40% raw or pasteurized... | .20 over L.A. Market quotations for 92 Score Butter |
| 22% to 27% pasteurized..... | .22 " " " " " " " " |

CONDENSED SKIM MILK:

| | |
|--------------------------------------|-------------------|
| 10 Gallon quantities or over..... | \$.32 per gallon |
| Less than 10 Gallon quantities | .37 " " |

PASTEURIZED SKIM MILK:

For Manufacturing:

10 Gallon quantities or over \$ 0.09 per gallon

EXHIBIT "D"

LOS ANGELES SURPLUS CONTROL PLAN

In order to control surplus production and to spread pro rata over all producers, the financial responsibility of any surplus that exists or may be produced, the following production control plan shall be made effective for all "Contracting Producers" and "Contracting Distributors" operating in the Los Angeles Milk Shed.

PRODUCTION BASE PERIOD

The production base period shall be the period of March 16, 1933 to June 15, 1933, inclusive.

COMPUTATION OF BASIC AVERAGE

In computing the basic average of any producer, the daily shipments of each producer during the base period shall be added together and divided by ninety-one.

The sum total of basic averages of all producers shall then be adjusted to approximate the average daily market requirements in the Los Angeles Metropolitan Area during the month of June 1933, and each producer's average shall be so adjusted upon a pro rata basis that the sum total of all adjusted basic averages shall approximate the total market requirements for the month of June, 1933.

In the event that any producer shall fail to produce his full basic average during any consecutive three month's period, his basic average shall be scaled down at the end of such period. In no event, however, shall any such producer be scaled down unless his average daily production during the three months' period be in excess of 10 percent less than the basic average originally allotted to him.

EXHIBIT "D" (Continued)

COMPUTATION OF PRODUCERS' MONTHLY PAYMENT.

Each producer shall receive basic price for that proportion of his production that is sold as basic milk and shall receive the established surplus price for that proportion of his milk sold as surplus milk. Whenever reasonably permanent increases or decreases in milk consumption take place in the market, in the opinion of the Los Angeles Milk Industry Board, basic averages shall be proportionately increased or decreased by the Producers' Arbitration Committee, Inc., with the approval of the Los Angeles Milk Industry Board and subject to appeal to the "Secretary." Pending such permanent adjustments in basic averages any sums accrued through the sale at basic prices of any milk in excess of the sum total of basic averages shall be added to the sums recovered from the sale of surplus milk, thus enhancing the average recovery per pound butter fat on such surplus milk.

Any producer who ships in excess of his basic average shall receive for such excess butter fat no less than the current churning value of butter fat for 92 score butter at Los Angeles or such adjusted surplus price as may be determined by the Producers' Arbitration Committee, Incorporated.

SPECIAL ADJUSTMENTS.

(1) In computing the original basic average allotted no producer shall be scaled down below a 20 pound daily average. Thereafter, all producers regardless of size, shall be scaled up or down in equal proportion when such scalings are required by market conditions, in the opinion of the Los Angeles Milk Industry Board.

APPLICATION TO NEW SHIPPERS

Producers now selling milk within the Los Angeles Milk Shed who have no established basic average shall be given a basic average equal to their

EXHIBIT "D" (Continued)

average production during the period from March 16, 1933, to June 15, 1933, inclusive, scaled down in the same proportion as other producers.

New producers, if in the opinion of the "Secretary," market conditions permit, will be allowed basic averages equal to 50% of their average daily production marketed in the "Los Angeles Metropolitan Area" during the first ninety days of such production and marketing. Such basic averages shall then be considered their basic average for the following twelve months at which time they shall be given a new basic average equal to their average daily production during the first six months in which they produced and marketed milk in the "Los Angeles Metropolitan Area." Thereafter the rules applying to the establishment of basic averages for old shippers shall be applied.

TRANSFER OF BASIC AVERAGES.

Transfers of basic averages may be allowed in accordance with the following rules: Basic averages may be transferred only in conjunction with cows; Such transfers shall be in writing signed by both buyer and seller and shall be recorded with the Producers' Arbitration Committee, Inc., within five days from the date of transfer.

APPLICATION TO BOTTLED RAW MILK PRODUCERS.

All bottlers of raw milk shall be allotted a basic average upon the same basis as both milk producers and shall report monthly on or before the fifth of each month for the previous calendar month their production and sales to the Producers' Arbitration Committee, Inc.

Producers of bottled raw milk may sell their milk in any of the following ways or combination of ways:

EXHIBIT "D" (Continued)

(1) In Bottles

(2) In Cans

(3) Separate the cream and sell the same to

through their own retail trade.

For quantities of milk up to their basic averages allotted they shall receive the full basic price. For production or sales of milk in excess of the basic averages allotted they shall receive the full basic price but shall pay to the Producers' Arbitration Committee, Inc., for each pound of butter fat sold the difference between the full basic price and the established surplus price. For such sales of cream derived from surplus milk they shall pay to the Producers' Arbitration Committee for each pound of butter fat so sold the difference between the cream jobbing price in effect and the established surplus price. Any fluid milk sold in cans under (2) above shall be collected by an agency or agencies designated by the Producers' Arbitration Committee, Inc., and acceptable to the producer.

ADMINISTRATION OF PLAN

The immediate responsibility for the administration of this Surplus Control Plan shall be with the Producers' Arbitration Committee, Inc., subject to the approval of the Los Angeles Milk Industry Board. The Producers' Arbitration Committee, Inc., shall set up such records and maintain such personnel as may be necessary to administer the plan efficiently.

PROCEDURE

The basic average of each producer shall be computed and mailed out to him as soon as possible after this agreement becomes effective. Thereafter, basic averages may be altered only by official transfers or upon order of the Los Angeles Industry Board subject to appeal to the "Secretary."

EXHIBIT "D" (Continued)

At least once each year or as frequently as is deemed advisable by the Los Angeles Milk Industry Board there shall be conducted by the Producers' Arbitration Committee, Inc., an official count of cows in the area, including milking cows, dry cows, springing heifers, and growing heifers.

EXHIBIT "E"

QUALITY MILK PROGRAM

CLASS 1.

This shall be the highest grade of milk available, shall comply with all regulatory standards, City, County and State, existing in this Milk Shed and in addition shall meet the following quality standards for the purpose of grading.

(a) Bacteria shall not exceed 50,000 for the next ninety days after this contract becomes effective unless superceded by the proposed Health Ordinance and if not so superceded, at the end of said ninety days it may be reconsidered by the industry. There shall be a 1¢ penalty per pound of butterfat for each specification on milk falling in Class 2, except as hereinafter provided. This penalty shall be paid to the Los Angeles Milk Industry Board to be used for the purpose set forth in Exhibit "D". This rating shall apply on milk delivered twice daily.

(b) Flavor and Odor - No. 1 Rating.

Note - No. 1 rating to be milk of any acceptable flavor and odor.

Grading manual shall explain practice to be followed in judging flavor and odor.

(c) Sediment - No. 1 Rating milk now known as "clean" and "fairly clean."

Note - Rating shall be based upon the amount of sediment obtained

EXHIBIT "E" (Continued)

by filtration through cotton disks. Grading manual shall

explain practice to be followed in judging sediment.

(d) Solids-not-fat shall be not less than 8.5% for the next six months, anything below 8.5% to carry a penalty of 1¢ per pound of butter fat, and at the expiration of six months this quality requirement may be reconsidered by the industry.

(e) Butter fat content shall be herd average.

(f) Temperature at the receiving platform shall be not higher than that required by local Regulatory Agencies.

CLASS 2.

This milk shall be of such grade as will be entirely acceptable as market milk and like Class 1 comply in full with all standards established by the various Regulatory Agencies existing in the Milk Shed, but failing in some one or more of the specifications required of Class 1.

(a) Bacteria shall not exceed 75,000 unless superceded by Health Ordinance. There shall be a 1¢ penalty per pound of butterfat on milk falling in Class 2 on account of bacteria count, such penalty to be paid to the Los Angeles Milk Industry Board.

(b) Flavor and Odor shall be No. 2 rating.

Note - No. 2 rating shall be milk of an objectionable flavor or odor.

(c) Sediment. No. 2 rating milk now known as "dirty" or "very dirty." Milk which is "bloody" or "gargety" will not be accepted and will be condemned.

(d) Solids-not-fat shall be not less than 8.5%. Any milk below 8.5% solids-not-fat shall bear a penalty of 1¢ per pound of butterfat to be paid to the Los Angeles Milk Industry Board.

EXHIBIT "E" (Continued)

(e) Butterfat shall be herd average. (Same as Class 1)

(f) Temperature at receiving platform shall not be higher than that required by local Regulatory Agencies. (Same as Class 1)

Note: It is assumed that milk failing in any one of the specifications of Class 1 may still be acceptable market milk but because of its failure is less desirable.

RULES AND REGULATIONS GOVERNING

PROCEDURE FOR DETERMINATION OF MILK QUALITY

General Sampling Procedure:

For the purpose of quality classification all sampling shall be done by a "Licensed Sampler" or by a "Licensed Technician" as required by the General Dairy Law of California, amended and approved May 28, 1927 - See Regulation XI, Paragraph (d) - Section 15 - Page 45, Regulation XIII, Paragraph 4 to 12 inclusive, pages 49 and 50 in attached copy of Agricultural Statutes of the State of California - Part Ten - Dairy Laws - corrected to September 1, 1931.

All Quality determinations as outlined in this program are to be made at least once a week or period of eight days or a total of four times each month; two such determinations in each case are to represent morning delivery and two evening deliveries, three exceptions being provided; namely, (1) where once a day delivery is made by the producer, samples are to be obtained from said delivery in conformance with the time of such delivery and (2) Flavor and Odor determinations are to be made on one morning and one evening sample taken each week or period or a total of eight samples per month, (3) where irregularities due to breakage of containers, late deliveries, spillage, etc., special rules may be set up by the Permanent Quality Committee.

EXHIBIT "E" (Continued)

Separate samples may be taken for each quality determination, but if the operator so elects one sample may be used for more than one determination, where such practice does not interfere with accuracy of results and is in agreement with approved methods.

Permanent records shall be kept of all determinations, said records to be in duplicate and the carbon copy deposited in a sealed box provided for the purpose. The Permanent Quality Committee, only shall have access to these records.

1. BACTERIA

Sampling:

One sample of milk shall be taken during each week or period of eight days, making a total of four samples per month, two of which shall represent morning and two evening delivery. Where delivery is made but once daily, one sample of said delivery shall be taken during each week or period of eight days. The methods employed for obtaining sample to be those described in the current edition of "The Standard Methods of Milk Analysis" of the American Public Health Association, copy of which is attached hereto.

Determination of Bacterial Content:

Methods shall conform to those described in "The Standard Methods of Milk Analysis" above referred to.

2. SOLIDS-NOT-FAT

Sampling:

One sample of milk shall be taken during each week or period of eight days as outlined in "General Sampling Procedure." Sample may be obtained either from weigh-tanks immediately after the milk has been dumped therein

EXHIBIT "E" (Continued)

or from the well-stirred contents of each can, and the amount so removed in the latter case to be proportional to the volume of milk in each can. In any event samples shall be taken immediately after agitation of the milk either in weigh-tanks or cans.

Note: The sample taken as above for solids-not-fat determination may at the discretion of the operator be used for the purpose of judging Flavor and Odor, providing the last mentioned determination follows the Solids-Not-Fat determination.

Determination of Solids-Not-Fat Content:

Place pint bottles containing sample in a water bath and bring temperature of the milk to 60 deg. F. at which time adjust temperature of water bath to 60 deg. F. Temperature of milk and water in bath must be at 60 deg. F. for not less than fifteen minutes before hydrometer readings are made.

Thoroughly mix the sample by pouring back and forth at least six times, transfer necessary portion to a volumetric cylinder of such diameter as to permit adequate clearance between hydrometer and walls of cylinder. Avoid incorporation of air in mixing the sample. Lower a Stone hydrometer into the milk, freeing as much as possible all air bubbles which may adhere to the hydrometer bulb and stem. Clamp on accurate thermometer to the inside of the cylinder with the bulb immersed to proper depth in the milk. The milk meniscus which forms around the hydrometer stem and the surface of the milk in cylinder should be free from air bubbles. Slowly move the hydrometer up and down in the milk several times and then allow it to come to rest. If temperature of milk is 60 deg. F., record the scale degree on hydrometer as read from the top of the milk meniscus. Immediately thereafter remove, with milk pipette, a sample for butterfat determination.

EXHIBIT "E" (Continued)

Using the following formula, compute and record the percentage of Solids-Not-Fat content from hydrometer reading and fat determination:

$$1/4 H - 0.2 \times F = \text{Percent Solids-Not-Fat where}$$

H = hydrometer reading at 60 deg. F. and F. = percentage of fat.

3. FLAVOR AND ODOR

Sampling:

One morning and one evening sample to be taken during each week or period of eight days or a total of eight samples per month.

Procedure for Determination of Milk Quality:

Where delivery is made but once daily, one sample of said delivery each week or period shall suffice, totaling four samples per month. Samples shall be so taken as to be truly representative of the entire shipment and may be obtained either from weigh-tanks immediately after the milk has been dumped therein or from the well-stirred contents of each can, the amount so removed to be proportional to the volume of milk in each can. In any event, sample shall be taken immediately after agitation of the milk either in weigh-tanks or cans.

Sample Containers:

Samples to be taken in odorless pint milk bottles which shall have been washed, rinsed and sterilized within twenty-four hours of the time samples are to be taken, and which shall while awaiting filling, stand inverted in clean cases in a clean place out of the contact with dust or other material which might affect the quality of the milk placed therein. When filled, sample bottles shall be closed with clean caps or parchment papers upon which shall be clearly written or stamped the name or number of the producer whose milk is contained therein.

Determination of Flavor and Odor rating:

The volume of the sample shall consist of approximately 1/2 pint and shall be contained in a pint bottle. Samples so taken may be held not to exceed twenty-four hours before determination, but in all cases where determination is not immediately made, samples after taking, must be placed immediately in ice water and cooled to 40 degrees F. and held at that temperature until time of determination. The bottles shall be placed in a water bath of such temperature as will, within twenty minutes, raise the temperature to not less than 100 degrees F. nor above 105 degrees F. Only that number of samples shall be so warmed as may be examined for Flavor and Odor within a period of not to exceed thirty minutes from the time the desired temperature has been established. Bottles must remain closed until individually examined. To determine Flavor and Odor proceed as follows: Remove sample from water bath, shake thoroughly, remove cap and immediately note odor, then taste the milk, record rating, and if either is objectionable and the fault can be described, record same. A number 1 rating shall be recorded for any sample in which no trace of objectionable flavor or odor is present. A No. 2 rating shall be recorded for any sample containing an objectionable flavor or odor. If possible record reasons of such objectionable flavor or odor, so that producers producing same, may be advised and such objectionable flavor or odor eliminated.

4. SEDIMENT

Sample and Determination:

Sample shall be taken from weigh-tanks immediately after the milk has been dumped there in by means of a pump type sediment tester (Evers or similar type.) In the event more than one weighing is required, due to volume

EXHIBIT "E" (Continued)

of shipment, a sample of milk from each weighing shall be tested for sediment, the disc showing the greatest amount of sediment to be used in establishing Sediment rating.

Immediately after removal of sample, the sediment discs shall be attached to clean celluloid sheeting, sediment slide against celluloid. Discs shall be firmly pressed against celluloid by rolling thumb, with pressure, over disc to remove excess milk, bring fine sediment to the surface of disc and cause disc to adhere firmly to celluloid. Spraying of non-sediment side of discs with formalin, after discs are attached to celluloid sheets, is recommended as an aid in preserving discs.

5. TEMPERATURE.

Determination:

Temperature of milk shall be taken in receiving room of buyer. Temperature must be taken within thirty minutes of the time seller delivers milk to buyer and in the following manner: Either (1) remove the lids from only two cans in the shipment, agitate thoroughly, insert thermometer and read and record temperature. If temperature of milk is identical in both cans, report one temperature; if not identical, report both temperatures, (2) temperature may be taken directly from weigh-tank.

Notification of Seller:

Buyer shall mail report of the results of the above determinations to Seller within seventy-two hours of the time shipments are received by buyer. If milk of seller, for any reason, does not meet requirements of buyer, arrangements shall be developed by Quality Committee to immediately notify Seller so that correction can be made. Seller shall have the right to file standing order with buyer instructing buyer to telephone report at seller's expense.

Differentials

Prices paid by buyer shall be the same for Class 1 and for Class 2 milk. Prices paid to producers, shall be 1¢ per lb. butter fat less for each separate rating, when such producer's milk comes under Class 2 rating. Differential between price paid by buyer and price paid to producer, shall remain with the Producers' Arbitration Committee, Inc., to defray expenses.

Quality Committee

There shall be selected a permanent Quality Committee of five (5) persons consisting of two representatives of producers, two representatives of the buyers and a local State Market Milk Specialist, which committee shall have general supervision over the carrying out of this quality milk program. The Committee shall see that all features of this program are carried out by all cooperating agencies and shall hear and adjust any complaints. The Committee shall, if necessary, make recommendations and/or reports to the "Producers' Arbitration Committee, Inc.," for the purpose of improving and expediting the program.

Committee shall also:

1. Pass upon, at intervals, the methods employed by technicians and samplers operating under this program.
2. Check accuracy and approve all equipment used in making quality determinations, including pipettes, dilution blank bottles, thermometers, hydrometers, etc. Thermometers used shall be accurate to one degree between 40 degrees and 75 degrees F. and shall be calibrated in one scale divisions.

RECORDS

Permanent records of samples taken shall be set up from sample cards as a basis for information, reference and statistical analysis.

EXHIBIT "E" (Continued)

Note: It is agreed by all parties hereto, that the above Quality Program is acceptable and will remain in force for ninety days but with the following reservation: That any distributor may reject Class 2 milk if Class 1 milk is available. At the end of ninety days the Quality Program prepared by the Los Angeles Milk Industry Board in March 1933, shall be accepted by all parties hereto, but that bacteria count in Class 1 of that program shall be changed to read 50,000 per c.c. instead of 25,000 per c.c. unless superceded by Health regulations.

EXHIBIT "F"

INDUSTRY ORGANIZATION AND RESEARCH PLAN

It is recognized that the affairs of the milk industry in the Los Angeles milk shed can be more effectively and conveniently handled if producers and distributors are properly organized so that responsibility can be delegated. Among producers there are now five cooperative associations, three of which represent bulk milk producers; one represents producer distributors and one represents producers and bottlers of raw milk. There is also the Producers' Arbitration Committee, Inc., which is an association composed of most of the above cooperative associations and acts as a central marketing agency for these associations. It is agreed by contracting Producers that insofar as can be agreed upon, that existing producer cooperatives shall be merged so as to reduce the number of agencies. It is also agreed that the Producers' Arbitration Committee, Inc., shall be reorganized so as to give representation to all existing associations upon a Board of Directors of 10 as follows:

EXHIBIT "F" (Continued)

| | |
|--|---|
| California Milk Producers Association . . . | 4 |
| Independent Milk Producers Association . . . | 2 |
| Natural Milk Producers Association . . . | 2 |
| So. Calif. Bottled Raw Milk Association . . | 1 |
| Los Angeles Mutual Dairymen Association . . | 1 |

Total10

It is agreed that the Producers' Arbitration Committee, Inc., shall employ a competent manager and shall set up adequate accounting methods and records as well as proper reserves for contingencies.

It is agreed also that contracting Distributors shall select a Distributors Committee of five, one from each type of distributor activity in the Industry, which committee shall concern itself with distributor problems such as trade practices, and other distributor problems.

It is agreed also that there shall be set up a committee of eleven, to be called the Los Angeles Milk Industry Board, selected as follows: Five producers to be selected by the Producers' Arbitration Committee, Inc., from their directors; five distributors to be selected by existing distributor groups and representing all distinct groups. The eleventh representative shall be the representative of the United States Department of Agriculture or if none, the designated representative of the California Division of Markets.

The Industry Board shall concern itself with such matters as arbitration of disputes, formulation of industry policies and recommendations to the Industry and to the Secretary of Agriculture concerning any matters which may affect the welfare of the milk industry. The Industry Board may also carry on advertising and sales promotion work that is agreed upon. The Board may adopt such rules and regulations for its own conduct as it may deem advisable and proper.

EXHIBIT "F" (Continued)

In addition, the "Contracting Producers" and "Contracting Distributors" agree that pertinent and timely economic information and statistical data will be helpful in maintaining permanent stabilization in the Los Angeles market. It is recognized that such information is most valuable if gathered and prepared and disseminated by some neutral public agency. It is agreed that the Division of Markets, State Department of Agriculture, shall be requested to act as that agency with the understanding that the Division shall collaborate with any other available public agencies in carrying on such fact finding work. Such work shall consist first of surveys of costs of production and distribution in the Los Angeles market and such other fact finding work as the Los Angeles Milk Industry Board may subsequently agree to undertake and finance. Funds for this work shall be collected monthly, as set forth in this "Agreement" and placed in a Trust Fund with the Californis Department of Agriculture for expenditure through the Division of Markets. The scope of and expenditures for such research work shall be agreed upon by the Industry Board prior to undertaking.

EXHIBIT "G"

CREAM EQUALIZATION PLAN

The Los Angeles program for milk price stabilization shall also include the following plan for equalizing the surplus burden of Grade A cream. All "contracting Distributors" of milk and cream in the Los Angeles Milk Shed shall purchase their cream requirements through a so-called "Cream Organization," hereafter referred to as the "Cream Pool." This "Cream Pool" shall be made up of the following and any other firms and plants supplying cream to the Los Angeles Metropolitan Area as of June 15, 1933.

EXHIBIT "G"

| <u>Firm</u> | <u>Plant</u> |
|--|---------------------|
| Challenge Cream and Butter Association | Fresno, California. |
| " " " " " " | Tulare " |
| Knudsen Creamery Company | Santa Maria " |
| Santa Maria Milk Company | Santa Maria " |
| Golden State Company, Ltd. | El Centro " |
| " " " " " " | Ventura " |
| " " " " " " | Guadalupe " |
| " " " " " " | Tulare " |
| " " " " " " | Merced " |
| " " " " " " | Los Banos " |
| Adohr Creamery Company | Tulare " |
| Los Banos Creamery Association | Los Banos " |
| Peacock Dairies, Inc., | Bakersfield " |
| Lakeview Creamery Company | Corcoran " |
| Wasco Creamery Company | Bakersfield " |
| " " " " " " | Wasco " |
| Jersey Farms (Borden's) | Fresno, " |
| Enterprise Dairy (Borden's) | Santa Barbara " |
| Western Dairy Products, Inc. | Tipton " |
| " " " " " " | El Centro " |
| " " " " " " | San Diego " |
| Knudsen Creamery Company | Visalia " |

EXHIBIT "G" (Continued)

"Contracting Distributors" receiving cream at country plants for distribution in the Los Angeles Metropolitan area agree that they will equitably control the production of all producers of market cream within the accepted areas of cream production in such a manner as to curtail surplus cream and approximate the requirements of the Los Angeles market.

The members of the "Cream Pool" agree that they will purchase only from producers in the "Los Angeles Cream Shed." The "Cream Pool" shall maintain a central accounting service which will compile records of total purchases and total sales and extend the values of cream pro rata for each company at the various prices listed in Exhibits "B-1", "B-2", "B-3" and "C". The "Cream Pool" shall also keep a record of any surplus cream and account for its disposition. At the close of each month, the "Cream Pool" shall render a monthly statement to each participating member of the "Cream Pool" with respect to the amount due to or from each of the members of the "Cream Pool" to the end that the financial burden of any surplus cream may be borne equitably by the producers of this surplus area and the distributors handling such cream. A copy of such statement shall also be filed monthly with the Los Angeles Milk Industry Board.

The prices used in the preparation of the above mentioned monthly Statement shall be those outlined in Exhibit C, Schedule 13, 14 and 15 termed Cream Jobbing Price Schedule. Furthermore, in making accounting in accordance with such statement each distributor of cream shall share equitably any losses incurred in the handling of the surplus of cream supply due to seasonable fluctuations. In addition, distributors separating local milk for cream in excess of their standardizing requirements, shall pay into the "Cream Pool" an amount per pound butterfat equal to the charge made for

EXHIBIT "G" (Continued)

equalizing surplus to distributors who purchase cream from points outside the "Los Angeles Metropolitan Area."

In no event, however, shall the above regulations covering cream separated from his own local milk by a producer of bottled raw milk be included or affected in any manner whatsoever, unless such producer separates more cream than is required for his own retail or wholesale trade, in which case the above regulations shall apply as to such excess.

It is understood and agreed that "Contracting Producers" of "fluid milk" in the "Los Angeles Milk Shed" will not participate in the "Cream Pool" and that they will manufacture all surplus butterfat derived from surplus "fluid milk" into butter and the skimmed milk into skim powder, provided, however, that when a shortage of cream exists in the Los Angeles Metropolitan area, the "Cream Pool" agrees to endeavor to first fill such shortage from any cream of satisfactory quality which has been produced in the "Los Angeles Milk Shed."

In the event it becomes necessary to increase the differential above the butter quotations now being paid to the producers shipping to members of the "Cream Pool," the "Contracting Producers" in the "Los Angeles Milk Shed" agree to pay into the Producers' Arbitration Committee, Inc., the sum of one percent per pound butterfat for all the production of the previous month for each fluid milk producer. The funds so held by the Producers' Arbitration Committee, Inc., shall be placed in a separate fund for that purpose, and paid into the "Cream Pool" from time to time as the monthly cream pool statements indicate that such payment should be made.

No more than one months' deductions are to be held in reserve at any time.

EXHIBIT "G" (Continued)

From this cream production area, there has been, and is now moving some fluid milk from producers as listed in paragraph (f) of this Agreement.

No additional milk from these "Cream Pool" plants shall be shipped into the "Los Angeles Metropolitan Area," except in case of a shortage of fluid milk. In such event, notice of such shipment shall be given by the "Cream Pool" plant to the Producers' Arbitration Committee, Incorporated, within two days after such shipment.

EXHIBIT "H"

CODE OF ETHICS, AND RULES AND REGULATIONS

THE FOLLOWING TRADE PRACTICES ARE PROHIBITED:

- (1) Offering bonuses to a competitor's producers, either in the form of a higher price or change in conditions affecting price for the purpose of unfairly coercing or injuring competitor.
- (2) The obtaining of supplies of milk by making special inducements not warranted by general market conditions.
- (3) Bribing or subsidizing employees of others.
- (4) Inducing employees to leave services of a competitor to the latter's temporary or permanent embarrassment or with the intent or effect of securing the trade or Milk supply of such a competitor.
- (5) Making up or disseminating false cost statements.
- (6) Making false or disparaging statements either written or oral or circulating harmful rumors respecting the competitor's products, selling price, business, financial or personal standing.
- (7) Giving away of goods or samples which would have virtually the effect

EXHIBIT "H" (Continued)

of rebates.

- (8) Simulating a distinctive feature of a competitor.
- (9) Use of returnable containers belonging to a competitor.
- (10) The giving of secret discounts or rebates for any purpose whatsoever.
- (11) False or misleading or injurious advertising or spreading of false statements by advertising, printed, written or oral.
- (14) Untrue statements regarding the matter of pasteurization and B.F. content of Milk or Cream.

- (a) Such as claiming pasteurization for Milk that has not been heated to at least 142 degrees F., and held at that temperature for at least thirty minutes.

- (b) Such claiming the B.F. content in excess of actual test.

- (13) Claims as to source of supply that cannot be substantiated.
- (14) Claims of certain virtues or benefits as to its use that cannot be substantiated.
- (15) To extend the cream line by the use of homogenizing or emulsifying of the Cream or any other artificial process.
- (16) Distribution of products of a better grade than the product they are supposed to represent.
- (17) Lottery Premiums: Giving or offering premiums for consideration of merchandise or money, the premiums to be determined by lottery.

IN ADDITION THE FOLLOWING RULES AND REGULATIONS SHALL PREVAIL:

- (1) Further, it shall be the duty of all "Contracting Distributors" and "Contracting Producers" to cooperate with the Public Health Authorities.
- (2) It shall be the duty, and not an unfair practice or objectionable in

EXHIBIT "H" (Continued)

any sense of the word, for a "Contracting Distributor" or "Contracting Producer" to make a report of unethical conduct, unsatisfactory conditions, or illegal practices, to the Los Angeles Milk Industry Board in writing, and to supply the said Board with sufficient evidence to thoroughly substantiate the report.

(3) The giving free of any Dairy Products or other commodities or equipment to dealers, as a concession to secure new business or to new opening of additional stores by an established Dealer, shall be prohibited.

(4) The giving of any dairy product or article of merchandise, regardless of its nature or material constitutes a premium, and shall be prohibited. Material considered educational or instructive, or legitimate advertising so called, shall be submitted to a committee of the L. A. Milk Industry Board for approval.

(5) Advertising Allowances, either cash or merchandise, to new or old stops shall be prohibited.

(6) Loans directly, indirectly, or guarantees to new stops or markets where such financial assistance is given to secure the Milk Business shall be prohibited.

(7) Gifts to School Teachers, Doctors, Nurses, or others who may influence the selection of a particular brand, shall be prohibited.

(8) Giving free milk to apartment house owners or managers or others, regardless of the size of the stop shall be strictly prohibited.

(9) The delivery of free ice to the Retail or Wholesale trade shall not be allowed under any circumstances.

(10) The placement of signs about buildings or on walls shall be permissible only in case and when no allowance or rental is given.

EXHIBIT "H" (Continued)

- (11) The granting of discounts or concessions of such nature as to enable a Dealer to conduct sales causing Dairy Products to be used as a drawing attraction shall be prohibited.
- (12) Service shall be discontinued to stores not adhering to established resale prices and in event of discontinuance of service to such stores, other "Contracting Distributors" shall not serve the customer in question for a period of at least thirty days.
- (13) "Contracting Distributors" shall report immediately in writing to the Milk Industry Board any instances where service to stores have been discontinued because of failure to adhere to established resale prices.
- (14) "Contracting Distributors" shall report immediately in writing to the Los Angeles Milk Industry Board all violations of the Code of Ethics.
- (15) "Contracting Distributors", "Contracting Producers," Milk Bottlers and Milk Peddlers shall be responsible for all acts of their employees or representatives.
- (16) "Contracting Distributors," "Contracting Producers," Milk Bottlers and Milk Peddlers shall be responsible for the ethical conduct of Peddlers to whom their Dairy Products are supplied.
- (17) "Contracting Distributors," and "Contracting Producers" shall not permit their Route Drivers, Salesmen or Peddlers to cover the same territory or route that may have been served by him formerly within a six months' period while in the employ of a competitor.
- (18) No Salesmen or Solicitors, other than regularly employed Routemen actually operating routes, shall be employed or used by "Contracting Distributors of Peddlers in connection with retail sales and retail distribution of Dairy Products.

EXHIBIT "H" (Continued)

(19) No method or device shall be permitted whereby milk is sold or offered for sale at a price less than that stated in this schedule, whether by any discount, rebate, free service or advertising allowance, or a combined price for such milk together with another commodity where sold or offered for sale separately or otherwise.

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